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"Pissing in the wind": racially discriminatory economic policies' impact on today's banking status, use of alternative financial services and health outcomes.

Gaberiel Jones Jr
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“PISSING IN THE WIND”: RACIALLY DISCRIMINATORY ECONOMIC POLICIES’ IMPACT ON TODAY’S BANKING STATUS, USE OF ALTERNATIVE FINANCIAL SERVICES AND HEALTH OUTCOMES

By

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M.P.H., University of Louisville, 2015

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A Dissertation Approved on

November 22, 2019

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DEDICATION

This dissertation is dedicated to my family.
It took a village and we did it – together.

ACKNOWLEDGMENTS

Completing a dissertation is an eye-opening experience. The process is both physically and mentally exhausting. While conducting my research and writing, I learned valuable information about the subject which I was researching, and about myself. However, it wasn’t until I finished my dissertation that I gained what is perhaps the most valuable knowledge of all. Upon completion, I was able to reflect on all of the people that made my success a priority. In reality, the process was a microcosm of my entire life. A life in which I have enjoyed the benefit of being surrounded by people who care, people who inspire, people who uplift, people who pray, and people who put others before themselves. Thanking all of those people seems both impossible and inadequate. As such, those names represented here are a few on a long list of people who have uplifted me.

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ABSTRACT

"PISSING IN THE WIND": RACIALLY DISCRIMINATORY ECONOMIC POLICIES' IMPACT ON TODAY'S BANKING STATUS, USE OF ALTERNATIVE FINANCIAL SERVICES AND HEALTH OUTCOMES

Gaberiel Jones, Jr.

November 22, 2019

Centuries of discriminatory policies and practices in the United States have created racially segregated, resource-poor urban communities. Differential benefits of banking and housing legislation were among the consequences of these policies as they contributed to drastic racial inequities in wealth. Today, racial differences in banking status and financial practices persist. However, a void exists in the literature exploring what alternative financial services (AFS) are used in lieu of banks by Black Americans, why those services are used, the thoughts and beliefs of Black Americans about the use of those services, the impact of bank locations on financial behavior patterns, and how these factors may relate to health outcomes. As such, the current study posed three distinct research questions:

1. To what extent does the density of community banks in a census tract relate to prevalence of heart disease, prevalence of cancer, and homicide in that census tract?
2. What alternative banking methods are utilized by Black West Louisville residents and for what purposes?

3. What factors influence the Black community's banking and financial practices?

A mixed-methods study design using ordinary least squares and zero-inflated Poisson regression was used to assess research question one, while qualitative interviews were used for research questions two and three. The findings show:

1. There is no significant relationship between the density of banks in a census tract and homicide, prevalence of heart disease, or prevalence of cancer.
2. Consumers recognize the financial harm caused by the use of AFS, but still opt to utilize alternative financial services considering them the best of many less than ideal choices. Participants expressed that banks were not a viable option due to racial discrimination, expensive overdraft fees, and hidden fees which led to general feelings of distrust regarding traditional banking institutions.
3. The major findings indicate that banks exist as one of many predatory, structurally violent institutions that disproportionately harm Black Americans, particularly those in lower income brackets.

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CHAPTER 1

INTRODUCTION

Presently, the most powerful predictor of health outcomes in the United States (U.S.) is wealth (Bond Huie, Krueger, Rogers, Hummer, 2003; Wenzlow, 2003). Wealth is integral to one's access to resources that enhance health status, such as safe housing, healthy food, and quality education (Iton, 2010). Interestingly, ownership of one's home or living quarters contributes substantially to one's wealth (Herbert, 2016). Thus, wealth allows a person to obtain and own quality housing, and quality housing reciprocally contributes to their wealth. It is this link that makes the relationship between housing, housing policy, and wealth of particular importance. Investigation of the distribution of wealth in the U.S. reveals alarming racial inequities in which white Americans' median wealth is nearly 14 times that of Black Americans (Asante-Muhammad, 2017). Likewise, in 2018, 73.1 percent of white Americans owned their homes compared to only 41.7 percent of Black Americans (United States Census Bureau, 2018).

These trends in wealth and homeownership are not new, but rather deeply rooted in our nation's history (Immergluck, 2002). When examining the causal circumstances of such outcomes, one finds a history of discriminatory banking, lending, and homeownership practices and policies. In the U.S., banks often act as gatekeepers for large financial transactions, such as purchasing a home, in addition to providing services that may contribute to the financial well-being of people and families (Hein, Koch and MacDonald, 2005) from which the banks can make a profit. Therefore, discrimination in banking practices and policies negatively impact the financial health, and ultimately the physical health of those negatively impacted by such practices. The purpose of this study is to explore the relationship between the presence of community banks in a census tract and health outcomes. The study will also examine what factors influence the Black community's financial practices, what alternative banking strategies are used, and the implications of those banking practices on poverty and wealth.

Wealth vs. Income

Among the topics explored in this study is the impact of policy on wealth. To this point, public health research often uses income as a primary indicator of socioeconomic status. Referring to earnings from work or resources such as pension, disability, unemployment, or social assistance (Shapiro, 2006), income provides a point-in-time indicator of earning power. In contrast, wealth refers to the total value of a family's financial assets minus debts, which may include home ownership, bank savings, investments, or business ownership (Oliver, 1995; United States Census Bureau, 2018). Thus, wealth accounts for the summative, intergenerational impact of historical policies, historical income differences, asset ownership, and inheritance, which together allow for a better understanding of socioeconomic inequities than income alone.

To further explore the distinction between wealth and income consider the following: Income represents the flow of financial resources earned in a particular period of time. Consequently, income is often used for daily and incidental expenses (Shapiro, 2006). Wealth is an asset, or surplus of fiscal resources that may, in fact, *produce* income; examples include capital invested in bonds or securities, business ownership, and earnings from investment real estate. The racial gap in economic surplus, or wealth, has increased while income differences have narrowed (Keister, 2000). As a result, in the U.S., wealth is often a means of passing along advantage, or disadvantage in the case of those without wealth (Keister, 2000). Shapiro et al. (2006) write that wealth allows generational access to the "good life," often described as human capital development in the form of business opportunities, home ownership, community location, health, travel, comfort, and security.

Consideration of the differences between wealth and income may prompt inquiry into the relationship between the two. One may assume that although wealth and income are different, they are highly correlated. However, studies of this subject suggest the relationship between the two is "minimal at best" (Keister, 2000). The poor correlative relationship between income and wealth suggests that factors beyond income are impacting not only the wealth of those at the bottom of the wealth gap, but the ability of those populations to convert income to wealth (Asante-Muhammad, 2017). Subsequently, wealth differences may be a vehicle through which discrimination and injustice operate over time. To explain further, it is critical to explore the impact of not having wealth as well as policies and practices that have historically contributed to this occurrence.

Inequity in Wealth and Health

The distribution of wealth and trends in poor health outcomes in the U.S. are highly predictable. Consider that given a person's race and net worth, one can predict where that person lives, what diseases they are likely to have, and perhaps most importantly, when they will die (Bond Huie, 2003). Intuitively, one may conclude that independent of other factors, more wealth effectively equals longer life. Not surprisingly, in general this is true. In the U.S., wealth is a fundamental determinant of health because it often confers or precludes individuals from obtaining quality education, employment, housing, childcare, recreational opportunities, nutrition, medical care, and safe and clean neighborhoods (Iton, 2010).

Many presume that the impact of wealth on these factors, education for example, is limited to school access; however, those who lack wealth also experience negative educational outcomes from forced absences. In a study of the racial wealth gap, an African American mother explained, “Sometimes, to be honest, sometimes, sometimes, when I have to wait for my check…sometimes my kids will have to miss a couple of days of school” (Shapiro, 2005 pg. 181). Here we see an example of wealth, or the lack thereof, impacting education in the form of school attendance which is correlated with educational outcomes (Shapiro, 2006). Parents with less wealth are often forced to choose between their children’s education and providing resources for their children. Those without wealth lack the financial protection that wealth provides against small financial issues or other factors that contribute to children missing school. Indeed, family specific factors such as low family income, unstable housing, at-home responsibilities, stressful family events, and conflicting home and school priorities are among the primary factors related to school absenteeism (Romero, 2007; Balfanz and Byrnes, 2012).

The relationship between wealth and premature death is also well established. Wealth and age-adjusted mortality are negatively correlated (Hajat, 2011). That is, as wealth decreases, age-adjusted mortality increases (Hajat, 2011). Furthermore, wealth is shown to be more predictive of health outcomes than income (Hajat, 2011; Shea, Miles, & Hayward, 1996). How then do we connect wealth and health outcomes? To explore the proximal relationship, one may assess the association between poverty and disease.

Poverty is a fiscal measure that uses a set of money and income thresholds that vary by family size and composition to determine financial status U.S. Census Bureau, 2018). Financial resources included in poverty measures are earnings, unemployment compensation, worker's compensation, social security, investment dividends, rents, trusts, interest, retirement income, and other financial resources (U.S. Census Bureau, 2018). It is important that we distinguish this description of poverty from those that exclusively consider income from employment. Using the previously mentioned factors, we may consider income from accumulated wealth in poverty measures.

However, the direct impact of wealth on potential disease does not fully explain the extent to which wealth predicts health outcomes. Herrenkohl (2000) found that the presence of risk factors such as low educational opportunity/achievement, neighborhood proximity to peers with delinquency or low educational achievement, and unstable housing increases the probability that one will remain below poverty status into adulthood (Herrenkohl, 2000). What is more, the study found that the additive impact of multiple risk factors may exponentially increase the likelihood of poverty. These findings are important because they highlight the cumulative impact of factors influenced by wealth; education, neighborhood, the built environment, and even political voice together have a synergistic impact on health outcomes.

The relationship between wealth and health outcomes is not exclusively a U.S. public health issue. Ouimet (2012) conducted a regression analysis to compare the causes of violence in 165 countries. The results of the study suggest that wealthier countries have less violence, and countries with more poverty have higher homicide rates (Ouimet, 2012). These findings indicate global trends in violent behavior that mirror those in our community. In Louisville, Kentucky, the setting of the present study, three out of every four homicides occur in zip codes where at least 42.9 percent of the households live below 100 percent of the federal poverty level, compared to a rate of only 15.7 percent for Louisville Metro at large (Center for Health Equity, 2017). One may assume the U.S.'s status as one of the world's wealthiest countries may insulate it from the poor health outcomes associated with poverty. However, it is in those U.S. communities, often ethnic minority communities with less wealth, where negative health effects are experienced most often (Pollack, 2013). Thus, inequity in health is inextricably related to inequity in wealth.

Wealth and Race

Decades of racially inequitable policy have shaped the distribution of wealth in today's communities. As with wealth, race can be used to predict health outcomes and life expectancy. Examining wealth and race together, the results are such that life expectancy improves within race groups as wealth increases. For example, middle class Black Americans have a longer life expectancy compared to lower or working class Black Americans (Adelman, 2007). Alarmingly, at every level of wealth, income, and education, Black Americans are behind their white counterparts in life expectancy (Olshansky & Antonucci, 2012). This suggests that in addition to wealth, one must consider the impact of the intersection of race and wealth; acknowledging that racial groups are not genetically discrete one from another (Smedley, 2005). As such, we must not consider race a causative factor of its own; instead, we must consider the rights or exclusion of rights that have been attached to the social construct of race historically. In other words, we are not witnessing the impact of race on health; we are witnessing the impact of racism on health (Castle, 2018).

In the U.S. in 2014, the median wealth of Black Americans was $9,590 compared to $17,530 and $130,800 for Hispanics and non-Hispanic whites respectively (U.S. Census Bureau, 2018). This equates to Black Americans owning approximately seven cents for every dollar in wealth owned by white Americans. This relationship has been linked to our country's substantial history of systemic racism in political practices such a segregation, employment discrimination, lending discrimination, and income disparities (Bond Huie, 2003). Nationwide, the percentage of white Americans who own their homes approaches 73 percent, compared to only 42 percent of Black Americans (U.S. Census Bureau, 2018). Racialized patterns such as these exist throughout the U.S. and often emerge from the lingering impact of policies that have segregated Black Americans into resource poor communities (Dymski and Veitch 1992; Stuart, 2003; Immergluck 2002). Therefore, we must acknowledge the impact of racism on the health and wealth outcomes in these communities. Wealth influences social wellbeing, political voice, education, housing, neighborhood, health and a number of other factors in ways not accounted for by income. As such, investigation of factors that influence the wealth of U.S. families is necessary to improve outcomes related to these factors; one of which, neighborhood will be discussed in the following section.

Poverty and Neighborhood

Inequity in policy and practice also manifests in the communities in which U.S. residents live. Racialized patterns of wealth distribution are not the only factors leading to concentrations of poverty among racial groups (Iton, 2010). The geographic concentration of poverty has also increased and maintained its stronghold in American communities, thereby recreating what reflects pre-civil rights housing segregation (Iton, 2010). Between 1970 and 1990, the percentage of urban poor Americans living in non-poor neighborhoods, which includes neighborhoods with poverty rates below 20 percent, declined from 45 percent to 31 percent. In the same period, the percentage living in poor neighborhoods, those with poverty rates between 20 percent and 40 percent increased from 38 percent to 41 percent; simultaneously, the proportion living in very poor neighborhoods, defined as over 40 percent poverty, grew from 17 percent to 28 percent (Jones, 2000). Thus, there was little change in the population living in poor neighborhoods, but a substantial decrease in those living in non-poor neighborhoods and an increase in those living in extremely poor neighborhoods. This shows American neighborhoods, often Black neighborhoods, becoming poorer and more fiscally deprived.

The Herrenkohl (2000) study suggests the collective impact of living in and around poverty substantially increases the likelihood of remaining in poverty, and subsequent poor health. A potential explanation for this is that neighborhood and other geographic segregation effectively concentrates the issues of injustice and inequity that come with living in environments where risk factors are abundant (Herrenkohl, 2000). Furthermore, these resource-poor areas often do not attract businesses that would bring jobs and conveniently located resources, such as grocery stores (USDA SNAP Retailer Data, 2016). This idea is supported by the Louisville Metro Public Health Center for Health Equity’s grocery store count map wherein the lowest number of grocery stores exist in the neighborhoods where the fewest residents had vehicles for travel (American Community Survey, 2015; USDA SNAP Retailer Data, 2016). When coupled with the dramatic difference in unemployment in West Louisville, 23.3 percent compared to 9.5 percent across Louisville Metro, , the burden of residential segregation becomes clearer (KSDC, 2014; U.S. Census Bureau, 2012b).

Additionally, age-adjusted mortality can be accurately predicted by census tract and neighborhood poverty groups. In these predictions, those neighborhoods that are poor overwhelmingly display higher mortality rates (Iton, 2010). This finding accentuates the strength of wealth as a determinant of health outcomes as it significantly correlates with all cause age-adjusted mortality rates. It is also important to note segregation itself did not harm Black neighborhoods, but rather the racist policies that were attached to segregation resulted in damage (Gotham, 2000). For example, it was not explicitly harmful to separate where Black and white residents lived. In fact, studies suggest that net of social and economic isolation, living in a clustered or predominantly Black neighborhood has health protective effects for Black Americans (Kramer & Hogue, 2009). However, it was severely damaging to deny the neighborhoods in which Black people lived access to mortgages and various other resources, thus creating the previously mentioned social and economic isolation (Gotham, 2000).

In U.S. cities, neighborhood demographics are not random. Instead, racialized patterns in neighborhood residences are the result of decades of discriminatory policies and practices (Rugh & Massey, 2010). Policies such as the Homeowner’s Loan Act, the National Housing Act of 1934, the Emergency Banking Act of 1933 & Glass-Steagall, The Banking Act of 1935, The Housing Act of 1937, and The Serviceman’s Readjustment Act of 1944 (GI Bill) allowed for government-sanctioned wealth suppression through enforcement practices such as redlining (Rothstein, 2017). These factors impacted wealth, home ownership, and Black Americans' ability to conduct common financial transactions like obtaining a mortgage or bank account (Rothstein, 2017). As a result, banking status, which is correlated with health outcomes and wealth, is an area of potential impact for Black Americans today (Hernandez, 2009; Eisenberg-Guyot, 2018). Later, we will discuss the impact of the previously mentioned policies and their influence on banking status and wealth for Black Americans.

Racism, Policy, and Banking

A history of racist policy-making shapes the reality of today's America. In most instances, U.S. communities do not exist as naturally formed living arrangements. Instead, particularly in urban areas, communities are shaped by decades of housing and lending policy. Prior to the introduction of the Fair Housing Act in 1968, race-based housing segregation was not only prevalent, but government sanctioned (Lamb, 2009). During the Great Depression, the U.S. housing economy was ravaged by foreclosures. In 1933, the federal government founded the Home Owners' Loan Corporation (HOLC) to revitalize the housing market (Harriss, 1952). The HOLC was to accomplish this task by providing longer terms for mortgages with more competitive, fixed rates (Gotham, 2000). Indeed, the HOLC achieved its goal of improving access to home ownership, for some. The HOLC was memorably marred by differential loan access based on race (Poe, 2017).

Differences in access to home loans still persist today. In an analysis of 31 million Home Mortgage Disclosure records of nearly all attempts to purchase homes with a conventional mortgage from 2015 to 2016, Black Americans were found to be more likely to be denied for home mortgages in 61 metro areas, even when controlling for applicant's income, loan amount, and neighborhood where the applicant hoped to buy a home (Glantz, 2018). However, loan access is not the only obstacle. Black Americans are 103 percent more likely to receive high-cost mortgages for home purchases compared to white Americans, even after controlling for detailed borrower and loan attributes like credit score and loan underwriting (Bayer, Ferreira & Ross, 2017). The explanation for this outcome is twofold: 1) Black Americans receive differential treatment from the same lenders compared to their white counterparts, and 2) Black Americans are more likely to use riskier, more predatory lenders, possibly because white Americans were also shown to receive more information and assistance in response to borrower inquiries compared to Black Americans (Bayer, Ferreira & Ross, 2017). The previously mentioned inequities highlight the importance of past policies and present day banking and lending practices. They also present meaningful questions that underlie the present study. To what extent is the presence of community banks in predominantly Black neighborhoods reflective of past discriminatory practices and policies? How does this presence or absence influence banking beliefs and behavior among community members? Lastly, how might factors such as bank presence and banking behavior impact health outcomes?

Public Health Impact

For decades, the impact of structural racism has received little mention in the public health literature (Castle, 2018), much less its impact on economic behavior. As such, the impact of racism in policy and its effect on banking practices and socioeconomic status remains largely unexplored. The first public health study to approach the subject of banking status and health came in March 2018 (Eisenberg-Guyot, Firth, Klawitter & Hajat, 2018). Although the subject of racial inequity was discussed, the impact of race on thoughts and beliefs about the banking system and practices was not directly addressed. This indicates a gap in the public health literature where it relates to race, racism in policy, economic behavior, and health.

Indeed, difficult conversations pertaining to racism have been predominantly a 21st Century addition to public health, with preceding research often limiting its discussion of race to racial health disparities. Therefore, this study will analyze the impact of racism in housing and banking policy throughout history on *de facto* discriminatory practices today and the impact of those policies and practices on present beliefs regarding banking behavior, resultant banking practices, and the culminating impact on health.

Proposed Study

Inequities in health outcomes for Black Americans are the result of a combination of social, economic, and political factors that influence exposure to risk, as well as access to and receipt of mediating resources (Shavers, 2006). One of the most pronounced areas of inequity is in wealth, which is well established as a predictor of health status in the U.S. (Iton, 2010). As mentioned, an abundance of public health research still relies on income as a predictor of health outcomes. However, income does not account for the intergenerational impact of historical policies that have precluded Black Americans from wealth accumulation for decades, and this fails to provide a complete picture of the inequities that exist. In instances such as reviewing literature, the current study is forced at times to utilize income as a variable rather than wealth due to the dearth of public health literature exploring wealth specifically.

The proposed study seeks to examine the impact of historical discrimination in lending, housing policy, and in the banking industry on present day banking practices;

more specifically, physical community bank location, bank-citizen interaction, and health outcomes in West Louisville. For Black Americans of all ages, the leading causes of death are heart disease and cancer; this is the same for Americans overall (Heron, 2018). However, for Black Americans age 15 to 34 the leading cause of death is homicide (Heron, 2018). By comparison, the leading causes of death for all Americans age 15 to 34 are accidents and intentional self-harm (Heron, 2018). As a result, the health outcomes of interest for the current study are heart disease, cancer, and homicide. To date, public health literature has yet to explore the impact of neighborhood segregation on the location and lending patterns of banks, and how that relates to wealth and health in highly segregated communities. Also missing from the public health literature is the impact these policies may have on Black Americans' thoughts and beliefs about the banking industry following decades of discriminatory treatment, and how that relates to health.

Early in 2018, Eisenberg-Guyot et al. produced a study assessing the relationship between fringe loan use, unbanked status, and health outcomes (Eisenberg-Guyot, 2018). To this researcher's knowledge, that study, whose findings determined that fringe loan use and unbanked status were correlated with a higher prevalence of *poor* or *fair* self-reported health, is the only existing study to broach the subject of banking status and health outcomes in the public health literature.

Therefore, the present study seeks to fill a significant void in public health research in this area. Using bank density by census tract, census-tract level disease data, and qualitative interviews, this study will explore the relationship between bank density, attitudes toward the banking industry, and three leading causes of death: cardiovascular disease, cancer, and violence. Specifically, this study seeks to answer the following questions:

Research Question 1: To what extent does the density of community banks in a census tract relate to prevalence of heart disease, prevalence cancer, and homicide in that census tract?

Research Question 2: What alternative banking methods are utilized by Black West Louisville residents and for what purposes?

Research Question 3: What factors influence the Black community's banking and financial practices?

CHAPTER 2

REVIEW OF LITERATURE

Introduction

In response to the Great Depression, the United States (U.S.) government introduced multiple policies to curb the financial stress felt by American families. In practice, however, systemic racism prevented many Black Americans from benefiting from those policies upon which white Americans relied quite heavily. The implementation and enforcement of the government policies were sullied by explicit racism in property valuation and lending (Hernandez, 2009). Furthermore, these practices prohibited many Black Americans from owning homes and subsequently accumulating wealth (Hernandez, 2009). Due to the nature of the government's enforcement of housing and lending policies, banking institutions played an integral role in maintaining the barrier between Black Americans and prosperity. At present, banks continue to play a prominent role in the U.S financial system. Moreover, evidence suggests that limited access to banking institutions and consequent use of high-cost alternative banking services disproportionately impact Black Americans (Hernandez, 2009). As a result, the impact of the prohibition of wealth accumulation for many Black Americans persists decades after the dissolution of many post-Great Depression policies. The relationship between banking, housing, wealth, and health outcomes prompts this research.

The current study spans decades of policy and multiple research areas. To reinforce the historical context and necessity of such a study, this chapter explores multiple policies that provide the framework for understanding the conditions of today's communities. This chapter will discuss U.S. governmental policy, wealth disparities, systemic racism, the U.S. banking industry, lending practices, banking methods, and alternative banking practices in the context of peer-reviewed literature. Finally, this chapter will illuminate the voids in present literature and the contributions the current study seeks to make.

Housing and Economic Policy

The Home Owner's Loan Act

In the 1920s, the collapse of the housing market spurred the Great Depression. Following the stock market crash in 1929, homebuyers and lenders found themselves in a financial dilemma wherein lenders had too much outstanding capital, and borrowers had debt they could no longer support (Rose, 2011). The employment and income loss that accompanied the stock market crash meant many homeowners would rapidly fall into default on home loans and ultimately, foreclosure. Moreover, the job loss and foreclosure rate meant that property taxes were also delinquent, which caused instability to local government and infrastructure (Rose, 2011). By 1933, the U.S. was in the midst of a home mortgage crisis. The Home Owners Loan Act (HOLA) sought to relieve the burden of mortgage debt on lenders and borrowers in many ways, one of which was allowing for the refinancing of mortgages. This process would be overseen by the Home Owners' Loan Corporation (HOLC) which the HOLA created (Courtemanche and Snowden, 2011).

The HOLC would give loans to lenders and borrowers such that mortgages, taxes, and insurance would be paid (Courtemanche and Snowden, 2011). In many instances, the government would acquire failing mortgages by giving the lenders government bonds. The government would then restructure the mortgage terms such that borrowers had a longer payment period, and subsequent lower payments, as well as a lower interest rate (Harriss, 1951). From 1933 to 1936, the government made over one million loans (Rose, 2011). Indeed, the HOLC is credited with rescuing the U.S. mortgage market for lenders and borrowers alike and would become the beginning of a larger shift away from short-term, high-interest home loans to the longer term—typically 20 years or more—mortgages that we recognize today. The practices of the HOLC also vastly expanded home ownership post-World War II by approximately 20 percent (Courtemanche and Snowden, 2011). However, systemic racism limited Black American’s ability to benefit from the HOLC; this will be discussed in more depth shortly.

The National Housing Act of 1934

In response to the Great Depression, President Franklin D. Roosevelt enacted a collection of social and economic policies known as “The New Deal” (Gotham, 2000). These policies represented an important period in U.S. history wherein public assistance programs, social insurance programs, farm and agriculture subsidies, and housing policies were introduced (Allen 1991; Domhoff 1990; Gilbert and Howe 1991; Jenkins and Brents 1989; Levine 1988; Quadagno 1984; Skocpol and Ikenberry 1983). In 1934, the National Housing Act (NHA) aimed to improve housing conditions, improve and develop housing standards, provide a system of mutual mortgage insurance, and ultimately, to make better housing available to middle- and lower-class families (National Housing Act, 1934). The law also marked the creation of the Federal Housing

Administration (FHA) and the Federal Savings and Loan Insurance Corporation (FSLIC; National Housing Act, 1934).

The FHA would seek to reverse the impact of failing mortgages by providing federal guarantees for the repayment of mortgages to lenders. That is, banks and other lending organizations who adhered to federal standards could see a dramatic reduction in the risk of lending due to the guaranteeing of approved loans by the federal government (Gotham, 2000); this was critical because in 1933, nearly half of the nation's home mortgages on urban homes were in default (Wheelock, 2008). Additionally, two million construction workers had lost their jobs. Thus, mortgage terms were often insurmountable for new homebuyers. At the time, mortgage loan terms were limited to 50 percent of the property's market value. Repayment was scheduled over three to five years ending with a payment of the outstanding principle made in lump sum (Rose & Snowden, 2013). To resolve the issue of difficult loan structure, the regulations brought forth by the FHA led to low-interest mortgages and the standard 30-year mortgage.

The FSLIC aimed to restore trust in savings and lending accounts by providing insurance such that savings were secure in the event of financial institutions failing (FDIC, 1997). The FSLIC provided insured deposits to banking and lending institutions. During that time period, the FSLIC insured deposits up to $100,000. However, in the early 1980s, nearly one-third of U.S. financial institutions were again failing. As a result, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) would make sweeping changes, effectively ending the FSLIC. Upon abolishing the FSLIC, FIRREA would create the Office of Thrift Supervision (OTS) to regulate state and federal banks and lenders (Kaplan, 1990). Further, FIRREA established the Federal

Housing Finance Board to regulate Federal Home Loan Banks (FHLB). Following the FSLIC's dissolution in the 1980s following the savings and loan crisis, its functions were assumed by the Federal Deposit Insurance Corporation (FDIC). The policies of the National Housing Act made home ownership possible in conditions where it would not have been otherwise for many Americans. For many Black Americans though, home ownership remained unattainable in the unrelenting conditions of the economic downturn without equivalent supports as those offered to whites.

The Emergency Banking Act of 1933 & Glass-Steagall

In addition to housing policy, banking policies were key components of Roosevelt's New Deal. In March 1933, in the wake of the economic destruction of the Great Depression, U.S. citizens were distrustful of the banking system. As a result, many citizens withdrew their money from banks, thereby exiting the banking system altogether. In response, the federal government passed the Emergency Banking Act (EBA) in 1933 with a primary objective of restoring the public's confidence in banks (Dighe, 2011). The EBA sought to achieve this outcome in several ways. First, the EBA expanded the power of the president during banking crises (FDIC, 2014). The president now had the authority to retroactively approve regulations of banking functions, such as transfers of credit or payments between banking institutions. The EBA also gave financial officers the power to restrict the operations of banks with compromised assets and appoint a conservator. Thus, banks whose financials were impaired could have their business overseen by financial conservators until business improved (Westerfield, 1933). Further, the Secretary of the Treasury now had the authority to determine whether a bank had sufficient capital to operate. If a financial institution was deemed to have insufficient funds to operate effectively, the Secretary of the Treasury, with the approval of the president, could request that secured loans be made to those institutions (Westerfield, 1933). The Federal Reserve also gained the ability to issue emergency currency in the form of Federal Reserve Bank Notes backed by assets of commercial banks (FDIC, 2014).

In June 1933, the Banking Act of 1933 (Glass-Steagall) would bring long-term reform to the banking system following the emergency legislation earlier that year. The legislation was introduced to decrease the risk associated with the use of bank assets, to provide regulation for interbank control, and to prohibit the diversion of funds into exceedingly risky or speculative endeavors (Friedman and Schwartz, 1971). Following the stock market crash that contributed to the Great Depression, many legislators believed that bank losses were resultant of banks making speculative and therefore risky capital allocation decisions (Silber, 2009). As a result, one of the major provisions of the Glass-Steagall Act was the effective separation of investment and commercial banking. Thus, banks would either work in lending and customer deposits or investment in securities but not both. At the passage of Glass-Steagall, a bank was not to have greater than 10 percent of its income from securities to maintain its status as a commercial bank. Ideally, the mandate would decrease the risk of loss to consumers when making capital deposits in commercial banks.

Reaffirming the importance of increased consumer safety, Glass-Steagall created the Federal Deposit Insurance Corporation (FDIC), which insures consumer deposits. The creation of the FDIC required Federal Reserve Banks to become stockholders in the FDIC, thus initiating FDIC membership. The FDIC initially insured deposits up to $2,500 before decades of limit increases raised the amount to the current $250,000. Glass-

Steagall also created the Federal Open Market Committee, which makes decisions on monetary policy. Glass-Steagall was critical to restoring trust between American citizens and banking institutions. However, the racial inequities in the lending practices of banks served only to widen the rift of trust between Black Americans and banks while trust was being mended for white Americans, undoubtedly influencing today's racial trends in banking and financial practices (FDIC, 2014).

The Banking Act of 1935

The Banking Act of 1935 drastically restructured the Federal Reserve. The Banking Act transferred power from the Federal Reserve's district banks to the Federal Reserve Bank Board in Washington, D.C. The Federal Reserve Board became the Board of Governors of the Federal Reserve System, independent of the executive branch of government (Bradford, 1935). In doing so, the Federal Reserve gained new leadership, separated power from the executive branch of government, and strengthened the FDIC (FDIC, 2014).

Additionally, prior to this legislation, shareholders of commercial banking institutions faced double liability when banks failed. That is to say, in the event of a bank failure the stockholders would lose the amount of their investment and an additional sum of money which typically approximated $100 per share. The heavy consequences of double liability decreased risk taking by bank owners and managers. However, the Banking Act of 1935 eliminated double liability to help banks recover. In turn, this allowed banking institutions to take more financial risks, often at consumers' expense.

The Housing Act of 1937

During the Great Depression, housing safety and sanitation was an issue that, like today, disproportionately impacted low-income families (Greasley and Madsen, 2013). The Housing Act of 1937 was signed into law to subsidize state and local governments in improving housing conditions and eliminating unsafe housing (Records of the Public Housing Administration, 2016). The legislation was also designed to decrease unemployment, particularly in the construction industry, and stimulate business activity (Records of the Public Housing Administration, 2016). The U.S. Housing Authority (USHA) made loans to local housing authorities such that local governments could use their unique understanding of their communities to best allocate the funds for the improvement of housing. Further, the act mandated that as new public housing units were constructed, substandard housing units must be removed on a one-to-one basis (United States, 1938). This led to the construction of more than 550 low-rent housing developments across the U.S. In these developments, tenants would pay some of the rent, typically half, while federal and state government would pay the balance. These housing developments were considered nice and well-kept, and were occupied primarily by white tenants (Friedman, 1966). However, as white tenants began to use homeownership initiatives that were not available to Black Americans, such as the G.I. Bill, the racial demographics of the housing units changed over time in a way that was reflective of this racial discrimination (Friedman, 1966). Thus, white Americans left to purchase homes, and Black Americans occupied the housing developments.

The Serviceman's Readjustment Act of 1944 (GI Bill)

The G.I. Bill served to assist veterans of World War II in four primary ways: 1) education and job training; 2) job search assistance; 3) unemployment allowances, including aid for self-employed; and 4) guaranty of loans (United States, 1944). Like many policies before it, the GI Bill benefits were unfortunately not for Black veterans.

Education and job training. Veterans could receive educational benefits at an approved U.S. academic institution if they were active in service for 90 days or more, not dishonorably discharged, and had their ability to pursue education or training interrupted by their military service (United States, 1944). Veterans could also use their education benefits for up to one year of refresher courses. Also of note, the 90 days of service was not required of those who were discharged as a result of injury or disability. Those who were younger than 25 years of age were deemed to have had their education interfered with, those over 25 had to provide proof of the impact of service on their education.

Job search assistance. Congress also implemented a job counseling and placement program for veterans. The placement program would work with the U.S. Employment Service to find and fill job openings for veterans.

Unemployment allowances and self-employment aid. After World War I, many veterans had difficulty reentering not only U.S. civilian life, but also the workforce. Following World War II, veterans who had served at least 90 days and not been discharged dishonorably could receive unemployment compensation (United States, 1944). Further, those who started businesses that were not meeting an earnings threshold of $100 a month would receive financial assistance for up to one year.

Guaranty of Loans. The portion of the G.I. Bill with the greatest impact on housing and banking policy was the guaranteeing of loans. That is, veterans could pursue loans from banks or lending companies for the purchase or construction of homes, farms, farm equipment, or business property and have a portion of the loan guaranteed without the provision of collateral (Servicemen's Readjustment Act, 1944). Under this agreement, in the event that a borrower could not pay back the full amount borrowed, the government would pay back half of the borrowed amount up to a set amount of $2,000 when the bill was initiated. The practice of guaranteeing loans was not simply to have the government pay for people's homes; instead, it was to provide safety to lenders thereby securing better loan terms and lower interest rates for buyers. This was critical given the instability of the housing and lending markets following the Great Depression. Additionally, on the guaranteed portion of the loans, the government paid the interest for the first year.

Up to this point, several policies that formed the foundation of today's banking and housing markets have been discussed, as well as the impact of racial discrimination in the enforcement of the policies on banking and housing on Black Americans. Next, we turn to the process through which racial discrimination was enforced in housing.

Redlining

Policies such as the HOLA, NHA, EBA, Glass-Steagall, the Banking Act of 1935, the Housing Act of 1933, and the G.I. Bill provided critical stability to banks and citizens. However, a number of factors influenced the actual application of these policies. Indeed, factors such as socioeconomic status, race, and gender influenced the treatment of persons under these policies (Rothstein, 2017). Critical to the present study is the impact of racism. Often lost in the celebration of the success of many of the aforementioned policies was their destructiveness to Black and brown Americans.

Following the formation of the HOLC, residential securities maps, also referred to as redlining maps, were created to determine where the government would focus its investment funds. The HOLC hired local realtors to complete neighborhood surveys in hundreds of U.S. cities to create the securities maps (Poe, 2017). In creating these maps, grades of A, B, C, and D were given to communities, in descending order, where “A” represented neighborhoods with the highest investment desirability, and “D” represented the least desirable neighborhoods for investment. Within this paradigm, Black, immigrant, and low-income neighborhoods often received grades of “C” or “D.” For example, neighborhoods receiving “A” grades were characterized as high demand, homogenous neighborhoods, where homogenous suggested a neighborhood was occupied by American business professionals (Poe, 2017). In the nomenclature of the securities mapping process, “American” denoted white (Poe, 2017). Therefore, neighborhoods with Black or immigrant populations were not considered American, and would consequently receive lower grades.

Those neighborhoods who did not receive “A” grades experienced more difficulty obtaining lending for homes. Neighborhoods receiving a “B” grade were determined to be good neighborhoods with less potential for growth relative to neighborhoods receiving an “A” grade. “C” grades were reserved for neighborhoods determined to be rapidly declining as indicated by the absence of race-based population restrictions and a resultant “infiltration by a lower grade population” (Poe, 2017). Neighborhoods received a “D” grade when the aforementioned infiltration was not happening, but rather had already occurred; that is, neighborhoods that were occupied by Black residents (Poe, 2017). The securities maps suggested demolishing these D-graded neighborhoods and replacing them with commercial properties, otherwise they would “spoil” the areas around them (Poe, 2017). In short, the HOLC’s mapping process facilitated neighborhood and residential apartheid, the results of which would prove devastating. Since the HOLC was the mechanism through which practical home loans were awarded, the lower grades made home ownership nearly impossible for Black and brown citizens, effectively inhibiting access to home mortgages and credit for decades (Poe, 2017).

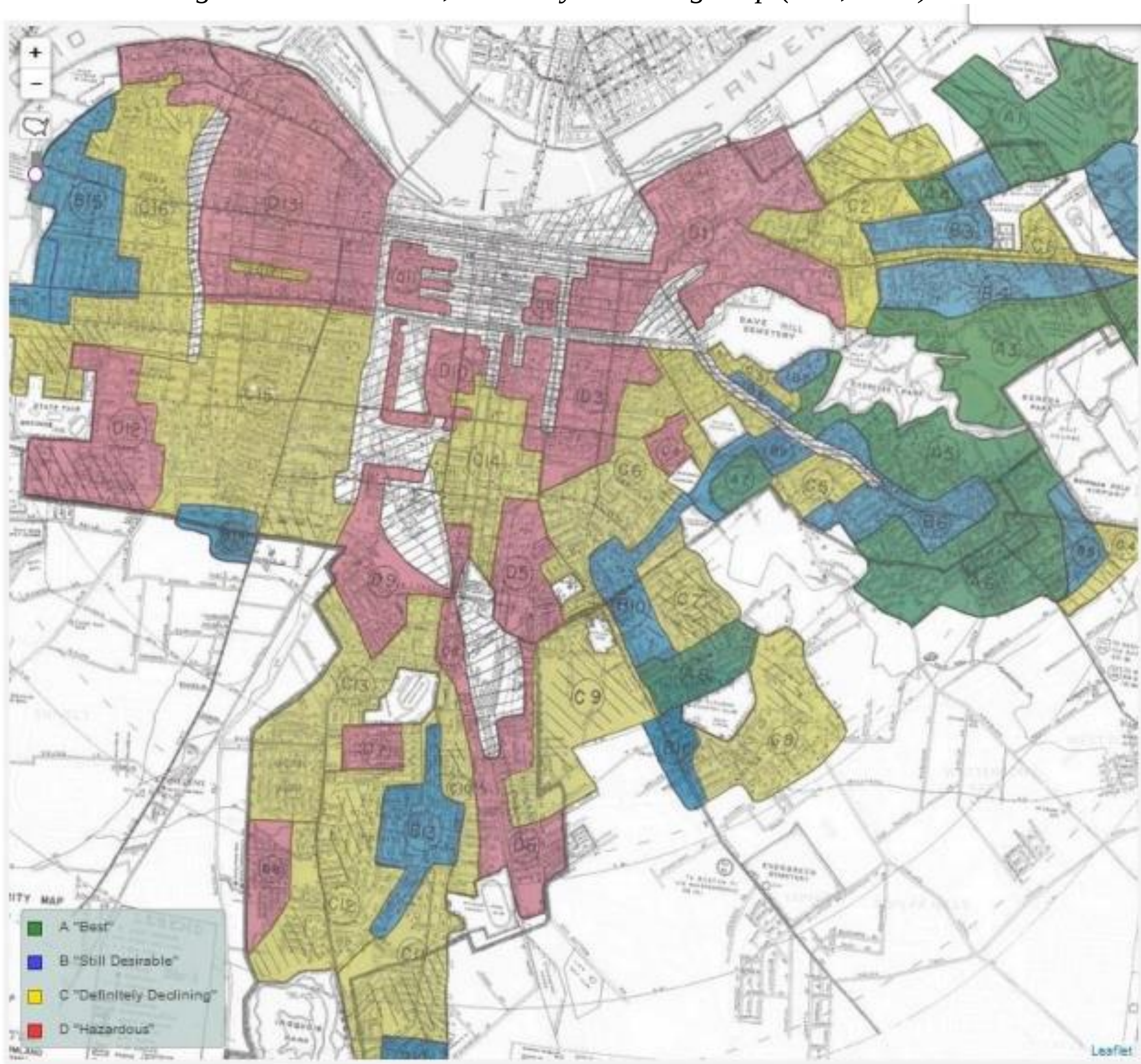
Although the HOLC dissolved in 1951, in many ways its policies and impact were reaffirmed by the FHA and continued well into the 1960s and 1970s. In fact, FHA policies suggested that to protect property values and preserve mortgage loan collateral, one should avoid “inharmonious racial groups” (Poe, 2017). The securities maps indicate how lending trends and the physical presence of banking institutions were impacted, which will be discussed shortly. The residential securities maps were provided to private lenders and realtors while being withheld from the public. Therefore, lenders explicitly used racially segregated maps to direct home lending away from Black Americans and their neighborhoods.

Today, in cities such as Louisville, Kentucky, the impact of this historic systemic racial discrimination is manifested presently in highly segregated housing and subsequent wealth inequities. Thus, the impact of this mapping process on the physical location of banks in poorly graded neighborhoods, the impact physical bank presence has on lending and banking status today, and how that relates to health outcomes is of particular interest.

Redlining in Louisville

The present study will explore the impact of historical housing and banking policy on present day outcomes in Louisville, Kentucky. Indeed, the housing practices of the HOLC had a lasting impact on Louisville. HOLC employees providing the local neighborhood assessment of the city of Louisville did so using criteria such as building age, social status of population, area economic stability, accessibility of business, schools, and churches, and the restrictions in place to protect neighborhoods (Poe, 2017). These restrictions refer to the presence of neighborhood deed restrictions barring the sale of property to Black people (Poe, 2017). In fact, deed restrictions were often given higher priority than architectural quality in the grading process (Poe, 2017). In many instances, explanations of neighborhood grades included statements of the degree of restriction of the neighborhood such that the “highest restricted” neighborhoods, were better than “well restricted” neighborhoods, where both were vastly superior to “poorly” or “unrestricted” neighborhoods. Figure 2.1 depicts the redlining map for Louisville where green denotes “A” grades, blue denotes “B” grades, yellow denotes “C” grades, and red denotes “D” grades.

Figure 2.1. Louisville, Kentucky Redlining Map (Poe, 2017)



For decades in the U.S., housing values have been inextricably linked to the race of the occupants of the neighborhood (Harris, 1999). The residential securities map of Louisville suggests that race was not simply one factor among many in the valuation of property, but rather the single strongest indicator of a property's valuation. In fact, the flood of 1937 impacting large areas of downtown and western Louisville did less to devalue property than did a neighborhood being populated with Black residents (Poe, 2017). For example, the Shawnee neighborhood, "B15" in Figure 2.1, was largely white and heavily impacted by the flood. Still, it was determined to have the ability to have housing values rebound, and so long as flooding was not a recurring event, the neighborhood would receive a "B" grade. In contrast, the eastern half of the Russell neighborhood, "D13" in the map above, was described as the worst in the city with "low type property and inhabitants" (Poe, 2017); that neighborhood would receive a "D'' grade. These systematic discriminatory practices shaped the way our communities look today by enforcing neighborhood racial segregation. Further, the redlining maps resulting from the discrimination were shared with banking institutions to inform lending decisions. Armed with the securities maps, banking institutions would make lending decisions on the premise of race, hindering the home ownership and wealth accumulation ability of Black Americans for decades. This raises questions regarding how the sharing of this information with banks influenced not only lending, but also the physical locations of community banks past and present, as well as the impact of the presence of community banks on banking status, community trust, wealth, and health outcomes.

Impact of Policy on Wealth Disparities

For decades, the cornerstone of the American dream has been home ownership (Adams, 2009). It is important to contextualize how policy has shaped wealth in America to better understand the relationship between policy, banking status, and health. In the U.S., home ownership often enhances ones' social status and subsequent wealth (Wolff, 2002). These benefits typically come in two impactful ways: 1) in most instances, some degree of socioeconomic stability is required for one to be eligible to own a home, and 2) with home ownership comes access to the growth in the value of the home, equity (Krivo, 2004). In fact, appreciation in the value of one's home provides a powerful economic buffer against inflation making it an integral part of wealth building for U.S. households

(Flippen, 2004). Home ownership represents 60 percent of the total wealth among the U.S. middle class (Wolff, 2002). However, this pathway has historically worked differently for Black homebuyers relative to their white counterparts (Kim, 2000). It is therefore important to connect the negative impact of diminished wealth with the housing and lending policies of the 1930s, 40s, 50s, and beyond.

Housing segregation created neighborhoods more heavily populated with Black and ethnic minority residents. Unsurprisingly, in metropolitan areas, home value often shares an inverse relationship with the proportion of Black residents in a neighborhood (Harris, 1999). Nationally, housing values decrease at least 16 percent when a neighborhood is more than 10 percent Black (Harris, 1999). Several factors contribute to this outcome. Proximally, one may simply consider the impact of blatant racism wherein white residents dislike Black residents because of their skin color. Findings suggest that racial discrimination is a significant element of unfavorable views regarding neighborhood integration (Bobo, Zubrinsky, 1996). As a result, neighborhoods may be devalued simply because white residents do not want to live in neighborhoods where the Black population is higher (Charles, 2003).

Some studies minimize the impact of policy on the vast racial inequities in home ownership and wealth in the U.S.; instead, suggesting that the differences are the result of class-based achievements like income and education. As a result, many studies have examined the potential impact of class differences on decreased property value for Black Americans, finding an inability of Black citizens with high levels of education and income to translate these “assets” into a home in desirable areas which appreciate in value over periods of time due to discrimination in the housing market (Horton and

Thomas, 2007). Moreover, when one compares those who are college-educated, working professional white-collar jobs in the same income range, Black Americans own 25 cents for every dollar of wealth owned by white Americans (Shapiro, 2006). As the educational achievement gap between races has narrowed over time, the wealth gap has expanded, again implicating the impact of policy, which prompts the present study (Shapiro, 2006).

Lasting Impact of Housing and Lending Discrimination in West Louisville

Many Louisville residents realize the residual impact of the enforcement of policy through redlining today, particularly in West Louisville, where the majority of the residents are Black. In fact, in some West Louisville neighborhoods, life expectancy ranges from 69.6 to 71.7 years of age, contrasting the 78.6 to 82.2 years for east Louisville residents (Center for Health Equity, 2017). Differences in property value and home ownership rates also remain. Tables 2.1 and 2.2 depict recent property values and home ownership rates of communities receiving grades of "A" and "D" during redlining. In the table, those neighborhoods with multiple ranges separated by a "/" were split into two sections with two different grades. As illustrated in Tables 2.1 and 2.2, neighborhoods graded "A" in the 1930s continue to reflect higher home values and rates of homeownership. Similarly, those graded "D" in the 1930s maintain lower property value and rates of homeownership even 80 years later.

Of the eight census tracts receiving a grade of "A," only one has a home ownership rate less than 52 percent. Additionally, only two have average property values less than $164,000. In contrast, among the 13 neighborhoods receiving a "D" grade, 10 had home ownership rates less than or equal to 52 percent, and 11 had property values less than or equal to $164,000, four of which were less than $56,000. In contrast, there were no neighborhoods with average values less than $56,000 in areas receiving "A" grades. These findings illuminate the lingering impact of discriminatory practices today.

Table 2.1 Grade "A" Property Value and Home Ownership

Property Grade A	Average Residential Property Value (Census Tract)	Home Ownership Rates 2011-2015
A1	$295,000-$509,000	83%-99%
A2	$164,000-$295,000	52%-69%
A3	$295,000-$509,000	83%-99%
A4	$56,000-$164,000	0%-35%
A5	$295,000-$509,000	52%-69%
A6	$164,000-$295,000	83%-99%
A7	$164,000-$295,000	52%-69%
A8	$56,000-$164,000	69%-83%

(Redlining Louisville, 2016)

Table 2.2 *Grade "D" Property Value and Home Ownership*

Property Grade D	Average Residential Property Value (Census Tract)	Home Ownership Rates 2011-2015
D1	$56,000-$164,000	0 % -35%/35%-52%
D2	$56,000-$164,000	0 % -35%
D3	$0-$56,000/$56,000-164,000	0 % -35%
D4	$56,000-$164,000	52%-69%
D5	$164,000-$295,000	0 % -35%/35%-52%
D6	$0-$56,000/$56,000-$164,000	0%-35%/35%-52%
D7	$0-$56,000	35%-52%
D8	$0-$56,000/$56,000-$164,000	35%-52%/52%-69%
D9	$0-$56,000	0 % -35%/35%-52%
D10	$56,000-$164,000	0 % -35%
D11	$0-$56,000	0 % -35%
D12	$0-$56,000/$56,000-$164,000	35%-52%
D13	$0-$56,000	0 % -35%

(Redlining Louisville, 2016)

Present Day Lending Disparities

Following the Civil Rights and Fair Housing Acts in 1968, it became illegal to discriminate against buyers and renters based on race. Because of these policies, some studies and political discourse have attempted to minimize the present impact of previous policies on housing and banking discrimination. Today, however, Black Americans experience rejection from home mortgage lenders approximately 60 percent more often than whites, even when controlling for creditworthiness (Oliver, Shapiro, 2006). Research by Shapiro (2006) went so far as to say:

> As sanctioned community redlining diminishes under pressure from the civil rights movement, community organizations, the Community Reinvestment Act and other fair-lending and fair-housing laws, it appears that financial institutions re-create similar results by constructing "objective" criteria of creditworthiness in such a way that individual minority families fall short far more than white families, thereby re-drawing redlines by family instead of by community. (Shapiro, 2006, pg. 67)

Outcomes like this illustrate how the impact of policy has not been remediated, but simply transitioned from *de jure* to *de facto* discriminatory practices.

Differences also persist even when Black Americans are approved for mortgages. Black Americans pay interest rates nearly one-third of a percent higher relative to white Americans (Oliver, Shapiro, 2006). The percentage difference amounts to about $12,000 in added expense on the average 30-year home loan (Oliver, Shapiro, 2006). Of note, this difference sometimes results from larger down payments from white Americans, which may be linked to differences in income and wealth. Moreover, nearly one-half of white homebuyers report receiving significant financial assistance with down payments from family, compared to only 12 percent of Black home buyers (Shapiro, 2006). Again, this difference in wealth transference may be attributed to the intentional impediments to wealth accumulation experienced by Black citizens. For example, if one considers that 60 percent of the middle class's wealth comes from home ownership, Black Americans were barred from the benefits of several of the greatest wealth promoting policies in history; the G.I Bill, FHA, or even the Homestead Acts which gave away land at no cost. These are examples of history shaping today's social inequities.

Banks

The Role of United States Banks

The previously discussed policies have been aimed at housing, banking, and the critical intersection between the two. This raises the question of what role banks play in the U.S. economy? Economic literature provides a better understanding of how banks fit into the economic ecosystem of communities. First, it is important to reiterate that banks are for-profit corporations designed to make money for their owners/stockholders. Banks make money in many ways, three of which are through interest on loans, interest earned on investments, and fees associated with services and penalties. The difference in operational practices of large banking institutions relative to community banks, relates to how they are owned and for whom they are making money. Community banks are typically locally owned and operated making them more familiar with the communities in which they are located. Larger banks tend to rely more on financial data and statistical modeling when making banking decisions (Critchfield, 2004). Conversely, smaller community banks rely more on "relationship banking," wherein decisions are made using personal knowledge and understanding of community context when making decisions relating to the creditworthiness of customers (Critchfield, 2004). The differences in banking approaches suggests that those communities with few or no community banking institutions lack the opportunity to build the relationships afforded to populations with greater community bank presence.

Community Banks. Although there is no formal definition or criteria for community banks, in economic literature, community banks are widely considered small banks that conduct the majority of their business in the community in which they are located. One study describes them as “relatively small institutions that do most of their business within a fairly circumscribed geographic area” (Critchfield, 2004). Additional descriptions suggest that community banks obtain most of their deposits locally and make many of their loans to local businesses, adding they are “relationship” bankers rather than “transactional bankers” (Hein, Koch and MacDonald 2005; Berger & Udell, 2002; DeYoung, Hunter, Udell, 2004). Several studies use an asset base of less than or equal to $1 billion dollars as the threshold for “small” (Critchfield, 2004; Bassett, 2001); while other studies have proposed raising this threshold to $10 billion to allow for growth (Hunter, 2011).

Presently, community banks account for a small share of total banking activity in the U.S. (Critchfield, 2004; Bassett, 2001); however, residents of rural and small metropolitan areas often experience the largest benefit of community banks. For example, community banks account for 58 percent of all banking offices in rural communities (Critchfield, 2004). Though community banks are less prevalent in urban communities, in metro areas with less than one million residents, they account for 31 percent of all banking offices (Critchfield, 2004). These data raise multiple questions that should be assessed in future studies. First, what is the potential influence of discriminatory policy on the difference in community bank presence in rural areas versus urban? Next, what role do the traditional racial demographics of rural areas compared to urban areas play in this difference? While outside the scope of the current study, each of these questions is closely related to its research aims. We have established that community banks play a key role in relationship-based banking practices in rural and small-to-medium-sized metropolitan areas; next, we will evaluate the impact of community banks on business.

The largest impact of community banks is on small business, often considered businesses with up to 500 employees (Tobias, 2012). This importance cannot be understated since 99.7 percent of U.S. employer firms are small businesses (Tobias, 2012). In this instance, again, the relationship-centered banking process is of benefit, allowing community banks to consider local markets and personal character along with the reliability of entrepreneurs when making lending determinations. Studies also suggest that this method works, finding community banks earn greater rates of return on small business investment (Carter, McNulty, Verbrugge, 2004).

In contrast, large banks' macro-level analyses often decrease lending opportunities for smaller businesses (Berger et. al, 2002). Additionally, one study suggested that small business loans require a closer, long-term relationship wherein banks are lending to businesses with little or no credit and need to work closely with the bank over the life of the loan (Berger et. al, 2002). In this instance, we see the potential negative impact on business when community banks are absent. Without the presence of community banks, the relationships required for small business opportunities are drastically more difficult. As a result, those communities without community banks experience greater difficulty in obtaining start-up funds. This may cause the community itself to have fewer businesses, and cause aspiring entrepreneurs to lose potential business opportunities and income, exacerbating the circumstances of already resource-deprived neighborhoods (Rozario & Williams, 2005; Fairlie, 2012).

Banked, Unbanked, and Poverty

Unbanked, Underbanked, & Banked

In the U.S., engagement with banks is an important part of one's financial life. Prior to our assessment of banking status, it is important to understand what it means to be unbanked, underbanked, and banked. According to the FDIC, those who do not have a savings or checking account are considered "unbanked" (FDIC, 2017). Similarly, those who have a checking or savings account but also rely on alternative financial services such as check cashing outlets, money transmitters, payday lenders, pawnshops, car title lenders, and rent-to-own stores, are considered "underbanked" (FDIC, 2017). Those who have bank accounts and do not use alternative financial services are deemed "banked" or "fully banked" (FDIC, 2017).

Who is Unbanked & Underbanked? The 2017 FDIC National Survey of Unbanked and Underbanked Households provides insight into who is unbanked versus banked through population estimates based on a survey of 36,000 U.S. households. The survey found 6.5 percent of households to be unbanked, 18.7 percent to be underbanked, 68.4 percent to be fully banked, and the remaining 6.3 percent to have undetermined banking status (FDIC, 2017). For Black Americans, approximately 30.4 percent were underbanked compared to 28.9 percent for Hispanics and 14.1 percent for White Americans. Additionally, 45.8 percent of Black Americans were fully banked compared to 49.7 percent for Hispanics and 77.1 percent for white Americans.

Unbanked status was also assessed at income and age levels, but not stratified with race. In the assessment, 25.7 percent of those earning less than $15,000 per year were unbanked, compared to 12.3 percent of those earning between $15,000 and $30,000 per year, and 0.6 percent of those earning at least $75,000 per year. Relating to age, unbanked status decreased with age, with those age 15 to 24 years old being unbanked most often at 10.0 percent, and those aged 65 years and older representing 3.9 percent of unbanked respondents. These results provide insight into the impact of income and age on banking status; however, the survey responses do not disaggregate the data by race and thus cannot account for racial differences at various income levels and age.

Explanations for Banking Status. The survey also asked why those who were unbanked did not have bank accounts; respondents were not stratified by race or income. More than half of the respondents (52.7%) cited not having enough money to keep in an account, 30.2 percent cited distrust of banks, 28.2 percent cited avoiding banks for privacy, and 24.7 percent cited account fees being too high. Again, potentially important information was lost due to the lack of racial and income data. For example, what factors influence one's likelihood of being unbanked as a result of distrust, and what is the cause of the distrust?

Alternative Banking Methods. Those who are unbanked or underbanked often utilize alternative financial services (AFS) such as check-cashing outlets, money transmitters, payday lenders, pawnshops, car title lenders, and rent-to-own stores, also referred to in literature as fringe banking establishments (FDIC, 2017). In many resource-deprived neighborhoods, community banks, assuming there were banks there to begin with, have been replaced by fringe lenders following expansion of larger banks where community banks were sold (Barr, 2004). As a result, fringe banking establishments are disproportionately located in low socioeconomic status, minority neighborhoods (Fellowes, 2006; Graves, 2003; Li, Parrish, Ernst, and Davis, 2009; Logan and Weller, 2009; Temkin and Sawyer, 2004). In the 2017 FDIC survey, 51.3 percent of households with no bank accounts reported using AFS in the past 12 months, compared to only 20.0 percent of households with bank accounts. The most popular AFS used by unbanked households were money orders (39.5 %), check cashing (20.7 %), remittances (5.6 %), with pawn shop and payday loans accounting for 4.3 percent and 2.9 percent respectively. This compared to 11.6 percent of underbanked households using money orders, 4.4 percent for check cashing, 3.3 percent for remittances, 1.2 percent for pawnshop loans, and 1.6 percent for payday loans (FDIC, 2017).

The trends in AFS use are alarming as interaction with fringe banking establishments come at an exceptional expense to consumers. A hearing before the Special Committee on Aging in the U.S. Senate found annual percentage rates (APR) as high as 1,800 percent in some instances for internet-based payday lenders (Special Committee on Aging, US Senate, pg 35). Moreover, one study found short-term AFS loans with APR of 400 to 600 percent (Johnson, 2002). Unsurprisingly, fringe borrowing is most common among those with irregular or unstable incomes (FDIC, 2017). Therefore, barriers to being banked create environments wherein inequity in fiscal resources and opportunities are exacerbated by expensive financial transactions for those worst suited to handle such expenses. The G.I. Bill and the HOLC granted access to cheap credit differentially based on race. Decades later, access to affordable credit remains drastically different based upon ones' race.

Banking Status & Health

Although research into banking status and health is relatively limited, data suggest the relationship is strong (Eisenberg-Guyot, Firth, Klawitter, Hajat, 2018). One study determined that payday lending is significantly associated with both violent and property crime, even when controlling for numerous other factors typically associated with neighborhood crime rates (Kubrin, Squires, Graves, Ousey, 2011). Research suggests that, as suggested with social disorganization theory, a concentration of payday lenders may serve as a visible sign of neighborhood disorder and decline. Further, disorder is associated with an increase in fear of crime and a reduction of informal social control, thus increasing crime (Taylor, 2001; Wilson and Kelling, 1982; Skogan; 1992; Kubrin, Squires, Graves, Ousey, 2011). Studies also suggest that excessive debt such as that associated with greater AFS use is correlated with stress, shame, depression, and even suicide (Zimmerman, 2005; Richardson, Elliot, Roberts, 2013). Additionally, chronic stress is shown to increase risk of cardiovascular and metabolic diseases and disorders (McEwen, Seeman, 1999). Further, factors such as chronic stress also increase rates of drug abuse and subsequent health risks (McEwen, Seeman, 1999).

Results from a recent study by Eisenberg-Guyot, Firth et. al, found fringe borrowing and unbanked status to be associated with worse self-rated health (Eisenberg-Guyot, Firth, Klawitter, Hajat, 2018). The study found fringe loan use to be associated with 38 percent higher prevalence of poor or fair health, and unbanked status to be associated with 17 percent higher prevalence of poor or fair health. The results of this study suggest a strong relationship between banking behavior and health. This again raises questions about the impact of historical policies on intentionally disenfranchised populations. Furthermore, it illuminates a substantial need for policies that reinvest in neighborhoods that were damaged by racist policy. One could argue that policy has done the opposite since 1978 when a Supreme Court decision weakened states' ability to control interest rates (Marquette National Bank V. First of Omaha Service Corporation, n.d.). In reality, however, this effectively created an environment where already resource-deprived communities could be further marginalized by opportunistic lending practices. That is, communities disproportionately reliant upon AFS for various reasons may be further financially exploited through legalized usury.

Theory Considerations

Among the primary foci of the present study is the banking behavior of Black WL residents. As such, many theories commonly adapted to public health are relevant to the framework for approaching the study. For example, the Theory of Planned Behavior suggests that behavior may be predicted from attitudes toward the behavior, subjective norms, and perceived behavioral control (Ajzen, 2002). By applying this theory to the present study one may consider that the history of banking policy may influence the community's attitudes towards banks and the bank's attitudes towards the very communities they were complicit in marginalizing. In such an instance, those attitudes may contribute to norms such as distrust which emerged in the FDIC survey. Moreover, the FDIC survey suggested that unbanked status also results from populations feeling as though they do not have the fiscal resources to be bankable; this could influence their perceived behavioral control. Following our example, if one's intention is to perform financial transactions, one may utilize AFS rather than a bank due to the attitudes towards banks and perceived ability to be bankable. While this theory is applicable to banking behavior, it is narrow in its scope and fails to account for the factors influencing norms and behaviors such as historical policy.

The theory of social conditions as fundamental causes was deemed more appropriate as it suggests that the link between socioeconomic status and mortality persists because embedded in socioeconomic differences are inequities in money, knowledge, class, power, and beneficial social connections which might otherwise serve as a buffer between an individual and poor health outcomes (Phelan, 2010). This is of particular interest when you consider the historical implications of policy on who has access to banking and the benefits to wealth and health that may be related to such access. Furthermore, while inequities in banking status may be related to attitudes toward banks, they may also be impacted by power, class, and social connections.

Finally, critical race theory (CRT) was also considered when developing the present study. CRT is grounded in the reality that racism is enduring and tightly woven into the fabric of U.S. society (Constance-Huggins, 2012). The CRT tenets of most interest with relation to the present study include the following: racism is endemic, race is a social construct, advancing the voice of the marginalized, and intersectionality of identities (Constance-Huggins, 2012). The first tenet, racism is endemic, suggests that racism is not an abnormal experience, but a common occurrence for people of color; an occurrence that is reproduced in U.S. systems and structures. As a result, race plays a central role in human experiences rather than a peripheral role (Solórzano & Bernai, 2001). The next tenet, race is a social construct, suggests that race is a system designed to characterize or group people based on physical attributes with no genetic basis. The social construction is then used to shape outcomes for racial minorities; CRT also suggests that majority groups often construct race in such a way as to protect their own interests (Haney-Lopez, 2000). The next tenet, advancing the voice of the marginalized was articulated quite effectively by Constance-Huggins:

> CRT asserts that racial minorities are routinely excluded from the historical accounts given by dominant groups. It suggests that this is an attempt by the dominant group to justify and legitimize its power. CRT therefore calls for the voices of the oppressed to be reflected in any recount of history. It asserts that minorities are best able to articulate the meaning of race and racism because they have experienced oppression and that such experience is insightful and legitimate. Therefore, new approaches must be developed to capture and incorporate their experiences as members of marginalized groups living in existing institutional arrangements (Constance-Huggins, 2012, pg. 8)

The remaining tenet of interest focuses on the intersectionality of identities. While CRT highlights the impact of racial oppression, it does not minimize the impact of oppression on the basis of other social identities such as gender, social class, or religion. This is of interest to the current study because factors emerging from the FDIC survey such as unbanked status being the result of not having enough money to keep an account suggests that social class plays a role in addition to race and other factors. These tenets of CRT inform the current study by considering race as an integral component in the experiences of Black Americans lives and interactions with institutions, such as financial institutions, within a society founded on a prolonged and continued history of systemic racism.

Gaps in Existing Literature

There is little existing literature connecting the present day locations of banking institutions to the history of redlining in the U.S. Further, there is also a void in public health research discussing how the locations of banking institutions may influence financial behaviors, opportunities, beliefs, and ultimately health outcomes. While interaction with alternative financial institutions has been recently explored, there is a deficit in literature explaining why Black Americans and other marginalized populations utilize alternative financial services as opposed to traditional banking. The literature suggests a relationship between health and alternative banking strategies, but more research is needed to explore the relationship between bank location and the banking status of communities, as well as the relationship between banking status and health. To date, public health literature has yet to explore the impact of neighborhood segregation on the location of banks and patterns in banking behavior, and how that relates to wealth and health in highly segregated communities. Also, missing from public health literature is the impact these policies may have on the thoughts and beliefs about the banking industry from Black Americans following centuries of discriminatory treatment, and how that relates to health.

Contributions of the Proposed Study

In the U.S, economic opportunity is not randomly, equally, or equitably distributed. Exploring the history of U.S. economic and social policy, such as redlining, provides context for the observable economic disparities in urban metropolitan areas such as Louisville, Kentucky. Previous public health research explores the impact of poverty on health outcomes. The present study seeks to examine the impact of historical discrimination in lending, housing policy, and in the banking industry, on present day banking practices; more specifically, bank-citizen interaction, physical community bank location, and health outcomes in West Louisville.

The present study will add to the public health knowledge base by investigating the relationship between the density of banks in a census tract and health outcomes. In doing so, we will examine existing relationships between past U.S. housing and banking policies, today's bank locations, and the health of those living in negatively impacted neighborhoods. The current study also will add substantially to what is known about contributing factors to unbanked status in West Louisville as it may account for race, age, income, distrust, spatial proximity, banks per unit population, or other factors. This study will provide racial and social context to outcomes captured in previous surveys that lacked such a framework and will contribute knowledge that may be used to refine and direct future public health interventions and legislation for policy change.

CHAPTER 3

METHODOLOGY

Introduction

Many aspects of modern urban communities are manifestations of decades of racism imbedded in U.S. policy and practice (Iton, 2010). Such policies influence racial and geographical trends in poverty, financial practices, wealth accumulation, violence, and poor health outcomes (Bond Huie, 2003; Iton, 2010). The purpose of this study is to explore the relationship between the presence of community banks in a census tract and health outcomes. Further, the study will examine what factors influence the Black community's financial practices, what alternative banking strategies are used, and the implications of those banking practices on poverty and wealth. The history of discriminatory policies, *de jure* and *de facto*, present unique challenges in West Louisville and communities like it across the United States (U.S.). As such, the results of this study will serve to assess the impact of historical policy on disparate outcomes and the role of these policies in reproducing disadvantage now and in the future. Finally, the study seeks to develop public health's understanding of what contributes to racial inequities such that those factors may be uncovered and ultimately dismantled en route to social and health equity long after the present study.

This study will employ multiple methods to address three discrete but related research questions. Research question one will employ a quantitative analytical strategy while questions two and three will utilize qualitative approaches. The research questions are as follows:

Research Question 1: To what extent does the density of community banks in a census tract relate to prevalence of heart disease, prevalence cancer, and homicide in that census tract?

Research Question 2: What alternative banking methods are utilized by Black West Louisville residents and for what purposes?

Research Question 3: What factors influence the Black community's banking and financial practices?

Setting

The area of interest for this study, West Louisville (WL), is comprised of nine neighborhoods: Algonquin, California, Chickasaw, Park Duvalle, Park Hill, Parkland, Portland, Russell, and Shawnee. WL neighborhoods span 22 census tracts and five zip codes (Kentucky State Data Center [KSDC], 2014; U.S. Census Bureau, 2012a). Of the nearly 62,000 residents of West Louisville, a staggering 42.7 percent have an income below the poverty level, this compared to 16.5 percent for all of Metro Louisville (U.S. Census Bureau, 2012a). Demographically, WL is 79.2 percent non-Hispanic Black, 17.1 percent non-Hispanic white, and less than 4 percent non-Hispanic "other" and Hispanic.

WL home ownership rates are lower than those for Louisville Metro overall (State of Metropolitan Housing Report, 2013). For example, approximately 40 percent of WL homes are owner-occupied, compared to just over 63 percent for Louisville Metro. Further, there are also differences in the number of vacant housing units; 21.2 percent of the housing units in WL are vacant compared to 9.9 percent in Louisville Metro. Finally, 32.8 percent of those occupying WL housing units have no vehicle compared to 10.3 percent in Louisville Metro, thereby creating a transportation obstacle for residents.

For the quantitative portion of this study, chapter 4, we will use data from census tracts throughout metro Louisville to allow us to assess the extent to which trends in health outcomes and bank location differ between structurally marginalized Black communities in WL and predominantly white communities as Louisville is the 4th most segregated city in the United States (Kent & Frohlich, 2015).

Data Collection

Research Question 1: Banking Density, Health Outcomes and Violence

The quantitative portion of this study, Research Question 1, seeks to evaluate what, if any, relationship exists between the density of banking institutions in a census tract and cancer, heart disease, and homicide outcomes in those census tracts. The uses secondary predefined datasets of all FDIC-insured banking institutions in the U.S., and more specifically, Louisville/Jefferson County provided by the FDIC. The FDIC provides data on all of its member institutions including branch address, name, institution type, branch city, branch county, service type, and branch zip code. From these national data, banking institutions in Louisville/Jefferson County were selected. Initial analysis revealed a scarcity of community banking institutions in WL zip codes relative to Louisville Metro. Thus, the analysis necessarily shifted from assessing community-banking institutions per census tract to overall banking institutions per census tract. The study also used secondary census tract-level data on cancer prevalence, heart disease prevalence, and gun homicide. For census tract-level cancer and heart disease prevalence data, the Centers for Disease Control and Prevention 500 cities dataset was used (Centers for Disease Control, 2018). With reference to homicide, data were gathered from the gun violence data archive. Additionally, census tract level poverty data were taken from the American Community Survey.

Research Questions 2 & 3: Financial Practices and Alternative Banking Methods

In addition to providing context for the findings from Research Question 1, the qualitative component of the study is also designed to: 1) develop a deeper understanding of the factors influencing the financial practices of Black WL residents, such as banking status; and 2) understand what alternative banking methods are being utilized and the impact of those methods. The University of Louisville Institutional Review Board reviewed and approved the protocols and instruments used to explore Research Questions 2 and 3.

Interview Guide. The goal of the interviews was to capture the perspectives, practices, beliefs, and experiences of WL adults regarding financial behavior, banking, and alternative banking methods. Interview questions were developed and refined through a cognitive interviewing process in which three respondents who were unfamiliar with the interview instrument were asked each question and probed with additional questions to assess their level of understanding, comprehension, and any recommendations for modification (Willis, 2005). The questions developed for the individual interviews focused on the following:

- Banking and financial practices;
- Beliefs about banking practices;
- Financial resources;
- Financial barriers; and

- The perceived implications of both current financial practices and changing one's financial practices.

These data are important because they provide insight into banking patterns established in surveys from existing literature, and they offer insight into what factors have the greatest impact on financial practices.

Sample & Sampling Strategy. Participants for this study were recruited through existing WL organizations such as community centers, churches, community outreach events, and referrals. The study utilized criterion sampling, a sampling approach where participants are selected from a larger sample because they meet certain criteria; in the case of the present study, individual interviews were conducted with Black WL residents older than 18 years of age who did not have bank accounts or who used alternative financial services in addition to their bank accounts (Palinkas, 2015). Participants were selected based on those criteria because the study seeks to learn more about the banking patterns of those who are considered unbanked and underbanked. The qualitative analytical approach followed a constructivist grounded theoretical framework. As such, interviews would have ideally been conducted until data saturation was reached without preliminarily declaring a sample size. That is, interviews would be conducted until each category of data assessed were fully accounted for, variability explained, and relationships tested and validated (Green and Thorogood, 2004). However, due to resource constraints, a sample size maximum of 20 participants was set prior to beginning the study.

A sample size maximum of 20 participants is likely sufficient to reach saturation, as it aligns with the 20 to 30-person sample size proposed by Creswell (2018) and several others (Creswell, 2018; Guest, 2006; Morse and Nihaus, 2009; Padgett, 2008). During the study, 14 interviews were ultimately conducted due to substantial consistency among participant responses that led to theoretical saturation. The population demographics of the participants are displayed in Table 3.1 below.

Table 3.1 Demographics of Interview Participants

Variable	**Mean (SD) or N (%)**
Age in years (24-47)	34.57 (6.48)
Gender Identity	
Male	8 (57.1%)
Female	6 (42.9%)
Racial Identity	
Black/African American	13 (92.9%)
Mixed Race (Black & 1 or more other races)	1 (7.1 %)
Employment Status	
Employed	14 (100%)
Banking Status	
Underbanked	7 (50%)
Unbanked	7 (50%)

N = 14 Participants

Participant Recruitment. The principal investigator conducted 14 individual interviews with adult WL residents age 18 and older. Recruitment of participants worked through existing relationships with community centers, faith-based organizations, and other community resources such as neighborhood grocery stores. Participant referrals were also used to generate potential interviewees. Additionally, a recruitment table with flyers, informed consent documents, and the principal investigator spent time at a neighborhood grocery store such that participants could obtain flyers and ask questions about participation in the study. All participants received hard copies of consent forms. Interview participation was completely voluntary and confidential. The interviewer reviewed and obtained consent prior to conducting audio recorded interviews, which followed a semi-structured format so that each topic could be adequately covered while allowing key topics presented by interviewees to be probed further. Interview participants received a $20 incentive for their participation.

Participant Inclusion Criteria. For participants to be eligible for interviews they had to meet several requirements. Participants had to be at least 18 years of age. This requirement is due in large part to the legal requirement that one must be 18 years old to open their own bank account. Also, interview participants had to: 1) not have a checking or savings account at an FDIC-insured establishment; or 2) utilize alternative financial services in addition to their checking or savings account at an FDIC-insured establishment. To the extent possible, recruiters sought participants whose ages represented the age ranges in the FDIC National Survey of Unbanked and Underbanked Households, 18-24, 25-34, 35-44, 45-54, 55-64, and over 65 years such that generational differences in financial practices and beliefs could be detected. Finally, the participant's primary address had to be in a WL zip code.

Participant Exclusion Criteria. All prospective interview participants outside of the age range and zip codes of the target group were excluded. Furthermore, participants who were unwilling to be recorded and those unable to communicate orally in English were excluded from the study.

Ethics and human participant concerns. The University of Louisville Institutional Review Board reviewed and approved all materials used for the qualitative portion of the study, including the interview guide, recruitment flyer, informed consent documents, and recruitment forms. Further, all participants in the study completed and signed informed consent paperwork prior to being interviewed.

Data processing. The principal investigator took deliberate measures to ensure that participant data were kept private. Participants were assigned a participant number which was the only identifier associated with the transcript of their interviews. The information linking the identities of participants to participant numbers was only accessible by the principal investigator. The audio-recording of each interview was transferred to a restricted-access network drive at the University of Louisville School of Public Health & Information Sciences; following transcription and validation, the audio files were deleted.

Positionality and Reflexivity. Engaging in the asking and answering of questions inherently connects the researcher to what is being researched. Acknowledging that objectivity cannot exist in research, it is important to critically assess the researcher's positionality relative to the research in order to check unintentional assumptions and biases.

It began in elementary school. We often learned about European heroes who fought and conquered on their way to freedom in the U.S. We also learned about the uneducated Black slaves who eventually gained freedom, not by conquering, but by asking white Americans for it. Indeed, my early education included teachings, direct and indirect, that revealed a racial hierarchy. These lessons were reinforced in middle school. I learned that to be Black was to be at the bottom of nearly every quantifiable measure of health, education, wealth, and seemingly all other metrics that I now associate with one's quality of life. I never fully understood why. I knew only that there was something different about me. I was a Black kid. My body was apparently less capable of resisting disease. I was Black. Education was simply not a strength of those who found themselves born in brown skin. I was Black. Wealth accumulation required some intrinsic wherewithal that had an inverse relationship with the amount of melanin in one's skin.

Anecdotally, what I observed supported what I had been taught. My white friends seemed to have bigger homes and nicer vehicles than my Black friends. I often noticed that my Black contemporaries seemed to struggle more in class. In fact, it seemed as though my Black peers had accepted what they learned about themselves to the point that characteristics associated with educational achievement were labeled “acting white;” I wondered where those labels actually came from--my Black peers were not stupid. In retrospect, it is unclear if the educational achievement itself was labeled this way, or if more disturbingly, the process of achieving success in a Eurocentric education system required one to sacrifice their “Blackness.” After all, an abundance of empirical evidence suggests that school teachers display a propensity to write office referrals for Black students more often than for youths of other races (Skiba, Michael, Nardo & Peterson, 2000). Further, Black students have been historically overrepresented in special education classes and under-represented in gifted programs (Ford, 2013). Yet, Ladson-Billings (1994) studied successful teachers for African American children and found that culturally responsive pedagogy may bolster academic success. I had no wealthy Black friends and consequently no way of knowing if they too would have been characterized as trying to be white simply because of the absence of poverty in their upbringing, although I suspect they would have. Again, the label may not have been the result of having wealth, but of the perception of what must be done to obtain it. These lived experiences shape my world view and subsequently the scope through which I view the present research. Although I will attempt to minimize the impact of subjectivity during the data collection and analysis process, unaccounted for bias may result simply from my life experience. Measures will be taken to minimize the impact of any unintentional bias due to researcher positionality and will be discussed further herein.

Analysis Plan

Analytical Approach to Research Question 1

Research Question 1 examines the relationship between selected health outcomes and bank density. In the study, bank density was measured in three ways: 1) the number of banks per square mile of a census tract; 2) the number of community banks per unit population in a census tract; and 3) a binary variable where census tracts with one or more banks were compared against census tracts with no banks. Using three methods of assessing bank density offers better understanding of the potential impact of bank presence, spatial proximity to a bank, and also the impact of bank location and population size. Since the study seeks to determine if there is a relationship, or mean change in cancer prevalence and heart disease prevalence, per unit change in the number of banking establishments in a census tract, we applied an ordinary least squares (OLS) regression model. OLS regression allows for a model that estimates relationships between variables by minimizing the sum of squares error.

Upon assessing descriptive statistics and conducting OLS assumption tests, we determined the homicide variable did not follow a normal distribution. Instead, the homicide values displayed a low mean and were heavily skewed. Additionally, 134 of 179 analyzed census tracts had zero homicides which prompted the research team to fit a zero-inflated Poisson (ZIP) model to the data. In instances where excess zeros are present in an outcome, they may be the result of the existence of a subpopulation of subjects who are not at risk for such an outcome (He, 2014). These zeros are referred to as structural zeros, they differ from random zeros; zeros which have the opportunity to be greater values but are not due to sampling variability. To account for excess zeros, the ZIP model has two components; one component models the probability of being a structural zero while the other models the Poisson regression mean (He, 2014). The results from each of these models were reported. All dependent variables met the assumptions of the models with which they were analyzed. These models will allow us to detect the presence and strength of a relationship between bank density and the outcome variables.

Analytical Approach to Research Questions 2 & 3

Constructivist grounded theoretical approach. Answering Research Questions 2 and 3 utilized qualitative analysis and was guided by a constructivist grounded theoretical approach. Grounded theory was an appropriate approach as it is a general methodology developed to discover the underlying social processes behind behaviors, and develop research-based knowledge about the behavioral patterns of groups or populations (Glaser,1978). Constructivist grounded theory builds on this framework by acknowledging that researchers are not distant objective observers and emphasizes the idea that interaction between the investigator and participants in interviews cannot be neutral (Charmaz, 2014).

As a result, studies utilizing constructivist grounded theory advocate non-hierarchical intimacy, reciprocity, open interchange of ideas and negotiation between researcher and participants (Mills, Bonner, and Francis, 2006). The outcome of such an approach yields data that is mutually constructed, agreed upon, and understood by participants and researchers. The process followed for this framework includes study design, ethical review and approval, data collection, transcription, open, focused and theoretical coding with simultaneous memo writing, integration of core categories, saturation of categories, and conceptual framework development (Alemu, 2017).

Study design. As discussed, the present study planned to conduct a maximum of 20 individual interviews. Interviews were scheduled five at a time. Interviews were scheduled this way so that interviews could be transcribed, reflected upon through memo writing, and subsequently used to categorize and select future participants; this approach was to be used until theoretical saturation or 20 participants, ultimately terminating at 14 participants following the cancellation of one interview in the third group of five (Alemu, 2017). This iterative approach to data collection is supported by such works as Guba and Lincoln (1989) in which they state:

> As the design proceeds, the constructivist continuously seeks to refine and extend the design to help it unfold. As each sample is selected, each datum recorded, and each element of the joint construction devised, the design itself can become more focused. As the constructivist enquirer becomes better acquainted with what is salient, the sample becomes more directed; the data analysis more directed and the construction more definitive. (Guba and Lincoln, 1980, pg. 180)

Once the study design was complete and approved by the University of Louisville institutional review board, data collection began.

Data collection and intensive interviewing. One of the hallmarks of a grounded theoretical approach is simultaneous data collection and analysis (Charmaz 2014, Guba and Lincoln, 1989). Therefore, audio recordings were transcribed immediately following interviews such that coding could begin prior to and during collection of additional data. Each of the conversations with participants utilized an intensive interviewing process conducted by the principal investigator. Intensive interviewing was deemed appropriate because it enables the researcher to ask for more detail, delve into an issue, and to move between important points while requesting more information (Charmaz, 2014). Further, each interview followed the recommendations of constructivist grounded theory methodology which suggest that the interview process be open-ended, conversational, and mutually constructed. This is achieved through the in-depth responses that may be uncovered through the rigor of the intensive interviewing process (Alemu, 2017). At the conclusion of each interview, the interviewer asked participants about their likes and dislikes regarding the questions they were asked, as well as what additional questions should be asked or what questions could be eliminated. This feedback was used to modify the interview guide for subsequent interviews. Following the first set of interviews, the principal investigator began preliminary data analysis.

Memo writing. Writing memos is an essential component of a constructivist grounded theory framework. Memos serve to capture significant observations regarding data collection, data content, and researcher thoughts and reactions throughout the process. The principal investigator practiced memoing through the various stages of data collection and analysis, which he used to identify concepts and categories as well as for the ultimate interpretation (Strauss, 2006; Strauss and Corbin, 1998).

Open coding. The first phase of coding, open coding, occurred when the properties of various concepts were initially explored. In this stage, the principal investigator developed codes to represent emerging initial concepts in the data. As similar data emerged, the researcher utilized common codes as appropriate. The process of open coding was guided by such questions as “What is actually happening in this data?” and “What is this data the study of?” These questions and others like them allowed the researchers to continually connect with the research intentions while parsing through a large volume of data (Charmaz, 2014). Upon completion of open coding, the principal investigator and an additional researcher began focused coding.

Focused coding and theoretical coding. Focused coding identified emerging core themes from the initial codes. This process allowed for the organization of codes and concepts from initial coding into macro categories, which proved to be saturated during the theoretical coding process. Saturation occurred when emergent core categories were developed with rich data such that incorporation of new data provided no novel insight (Charmaz, 2014). The researchers frequently revisited memos and compared during the focused coding process and refined during theoretical coding. During this process, the researchers formed data into concepts reflective of the overarching themes discussed by interviewees rather than descriptions. These overarching themes were used to develop a conceptual framework which will be discussed in subsequent sections.

The qualitative data from the interviews can inform the findings of Research Question 1, and provide context on the banking behaviors of Black WL residents. Following Research Question 1, we may better understand the relationship between bank density and disease outcomes. Research Questions 2 and 3 may provide additional insight into the impact of bank location on the ability of Black Americans to carry out normal banking transactions. Additionally, factors which emerged in the FDIC survey such as distrust, privacy, and excess bank fees may be better understood in the context of Black West Louisville residents and the historical impact of discriminatory practices in West Louisville communities. We may also enhance understanding with regard to what factors drive Black West Louisville residents to utilize AFS and to what extent AFS use is motivated by census tract bank density.

Limitations

There are several notable limitations of the proposed study. Due to the scarcity of community banks in WL, the quantitative component of the study focuses on the presence of any FDIC-insured bank rather than community banks specifically. Due to this change, we may not draw direct conclusions about the impact of the presence of community banks specifically, but of all banking institutions. While using all banking institutions may not offer information regarding the benefits of community banking practices and access, it will provide a spatial measure of FDIC-insured banking access. Also, as financial behavior and discussions about those behaviors are private, some participants may not be completely candid with regard to their financial situations and explanations of their behaviors. Steps were taken to assure participants that data would be de-identified and that their data will be confidential to the extent capable under the law to mitigate this potential limitation. In spite of the potential limitations, this study contributes to the public health literature by enhancing our understanding of the impact of racism in historical policies on banking practices, wealth, and health outcomes. Further, public health literature attending to the relationship between financial behavior, banking interaction, banking location and availability and health outcomes is sparse; therefore, the findings of this study represent a key area for further research.

CHAPTER 4

BANK LOCATION AND HEALTH OUTCOMES

Introduction

Many United States (U.S.) urban communities are geographic manifestations of discriminatory economic policies and practices, such as the government-sanctioned enforcement of housing segregation and lending discrimination through urban redlining (Poe, 2017). In the practice of redlining, banks and lenders used graded maps to determine property value and the corresponding risk of lending, which translated into whom would qualify for government-guaranteed housing loans. Although it was not the sole criteria, better neighborhood grades dictated which homebuyers could qualify for loans while lower graded neighborhoods disqualified many homebuyers; race was a primary factor upon which neighborhood grades were based (Poe, 2017).

The impact of this practice historically manifests today as racially segregated communities, concentrated poverty, and dramatic racial inequity in wealth. Specifically, Black Americans, own $0.96 in wealth for every $13.08 owned by white Americans—or seven percent (U.S. Census Bureau, 2018). This supports the finding that homeownership is responsible for approximately 60 percent of the total wealth among the U.S. middle class (Wolff, 2002). Despite recognition of the harm perpetrated by these policies and from various changes to policy and practice, the macro effects of racist policy on wealth are not diminishing. In 2018, 73.1 percent of white Americans owned their homes compared to 41.7 percent of Black Americans (U.S. Census Bureau, 2018).

An ongoing challenge that perpetuates structural economic marginalization of these communities is economic development; among other things, this means poor access to resources and services and less local employment opportunities. The lack of neighborhood resources extends to financial institutions, fewer banks are located within neighborhoods in which poverty remains concentrated; however, this void often is filled in those neighborhoods with predatory financial service providers. As a result, marginalized populations experience greater exposure to predatory institutions. Furthermore, literature suggests that access to FDIC insured banking institutions influences financial practices and financial wellbeing (Richardson, Elliot, Roberts, 2013; Smith, 2018; Zimmerman, 2005). Studies also suggest that financial status and interaction with predatory alternative service providers is related to diminished access to health sustaining resources and poorer self-rated health (Eisenberg-Guyot, Firth, Klawitter, Hajat, 2018; Iton, 2010). These findings prompt this study's investigation into the modern impact of historical policies on banking institutions' locations and lending patterns, and the ultimate effects on population health outcomes.

Background and Context

Banking institutions. U.S. banks have been central to the economic marginalization of Black Americans. Following the Civil Rights Act of 1968, legal racial discrimination in housing and lending came to an end. However, 50 years later, Black citizens continue to experience rejection from home mortgage lenders approximately 60 percent more often than their white counterparts, even when controlling for credit-worthiness (Oliver, Shapiro, 2006). Furthermore, differences persist when Black residents are approved for mortgages. In these instances, Black homebuyers pay interest rates nearly one-third of one percent higher relative to white homebuyers, which translates to about $12,000 in added expense on the average 30-year home loan (Oliver, Shapiro, 2006).

Despite the harm done by the banking industry, banks remain central to commerce and navigating financial transactions for all Americans. Unfortunately, Black Americans are significantly more likely to meet the definition of unbanked or underbanked. According to the Federal Deposit Insurance Corporation (FDIC), those who do not have a savings or checking account are considered *unbanked,* while one who has a checking or savings account, but also utilizes alternative financial services (AFS) such as check cashing outlets, money transmitters, payday lenders, pawnshops, car title lenders, and rent-to-own stores is considered *underbanked* (FDIC, 2017). As such, one's banking status is indicative of their level of interaction with predatory alternative institutions. Trends in AFS use are alarming as interaction with such establishments come at an exceptional expense to consumers. A hearing before the Special Committee on Aging in the U.S. Senate found annual percentage rates (APR) as high as 1,800 percent in some instances for internet-based payday lenders (Special Committee on Aging, US Senate, pg. 35). Moreover, one study found short-term AFS loans with APR of 400 to 600 percent (Johnson, 2002). Studies also suggest the location of AFS providers are more likely to be located in neighborhoods predominantly occupied by Black residents.

The findings of an analysis by Sawyer and Temkin (2004) suggest that alternative financial service providers are disproportionately located in minority, low-income neighborhoods. The same study determined that more alternative service providers and fewer banks are found in census tracts that are disproportionately minority and poor. In

Louisville, Kentucky, the setting of the present study, neighborhoods in which Black residents represent the majority of the population have a lower life expectancy, higher rates of cancer, higher rates of heart disease, and higher rates of homicide (Center for Health Equity, 2017). These factors prompt investigation into the relationship between bank location and health outcomes.

Banking, wealth, and health. In the U.S., wealth is a fundamental determinant of health because it often confers or precludes individuals from obtaining quality education, employment, housing, childcare, recreational opportunities, nutrition, medical care, and safe and clean neighborhoods (Iton, 2010). Racial trends in wealth and financial status may be linked to racial inequities in health outcomes. In addition to dramatic differences in wealth, according to the 2017 National Vital Statistics Report, Black Americans (75.3 years) also trail white Americans (78.8 years) in life expectancy (Arias & Xu, 2019). Further, prior literature suggests high debt repayments may become a source of psychological distress, poor mental health, and poor physical health (Clayton, 2015); research instructs that debt may lead to a decline in physical health due to socioeconomic hardship and material deprivation (Clayton, 2015; Cohen, 2007; Reading and Reynolds, 2001). More specifically, short term unsecured loans are also associated with poor health outcomes, such loans are overrepresented in lower income, often minority populations that are disproportionately targeted by predatory lenders (Sweet, 2015). Recent literature supports this assertion finding that use of AFS such as payday and pawnshop loans by unbanked and underbanked individuals is associated with worse self-rated health (Eisenberg-Guyot, Firth, Klawitter, Hajat, 2018). The National Vital Statistics Report on the leading causes of death in 2016 conveyed that for Black Americans of all ages, the leading causes of death were heart disease and cancer, this is the same for Americans overall (Heron, 2018). However, for Black Americans age 15 to 34 the leading cause of death was interpersonal violence or homicide (Heron, 2018). By comparison, the leading causes of death for all Americans age 15 to 34 were accidents and intentional self-harm (Heron, 2018). Thus, cancer, heart disease, and homicide are the outcome variables of interest in the present study.

Historical discrimination in lending, *de jure* and *de facto*, have contributed to segregated communities and dramatic discrepancies in wealth and homeownership. The relationship between lending discrimination, wealth, banking status, the present location of banking institutions, and health outcomes is sparsely explored in the literature. The current study contributes to a deficit in the public health literature through examination of these relationships by using bank density to predict rates of homicide and prevalence of cancer and heart disease in Louisville, Kentucky.

Setting. The setting of the present study is Louisville, Kentucky. In 2015, Louisville was found to be the 4th most racially segregated city in the U.S. (Kent & Frohlich, 2015). As a result, data from Louisville will allow us to assess the extent to which trends in health outcomes and bank location differ between structurally marginalized Black communities and predominantly white communities. The inequity in Louisville is illustrated by the racial and socioeconomic differences between West Louisville, a historically marginalized community, and Louisville Metro.

West Louisville is comprised of nine neighborhoods and spans 22 census tracts and five zip codes (Kentucky State Data Center [KSDC], 2014; United States [U.S.] Census Bureau, 2012a). Of the nearly 62,000 residents of WL, 42.7 percent have an income below the poverty level, this compared to 16.5 percent for all of Metro Louisville (United States [U.S.] Census Bureau, 2012a). Demographically, WL is 79.2 percent non-Hispanic Black, 17.1 percent non-Hispanic white, and less than 4 percent non-Hispanic "other" and Hispanic. WL home ownership rates are lower than those for Louisville Metro overall (State of Metropolitan Housing Report, 2013). For example, approximately 40 percent of West Louisville homes are owner-occupied, compared to just over 63 percent for Louisville Metro. The social, economic, and racial demographics of Louisville make it an ideal location for the present study.

Methods

The present study seeks to explore the extent to which the density of banking institutions in a census tract is related to cancer, heart disease, and homicide outcomes in those census tracts. The study used secondary predefined datasets of all FDIC-insured banking institutions in the U.S., and more specifically, Louisville/Jefferson County provided by the FDIC. The FDIC provides data on all of its member institutions including branch address, name, institution type, branch city, branch county, service type, and branch zip code. The study also used secondary census tract-level data on cancer prevalence, heart disease prevalence, and homicide. For census tract-level cancer and heart disease prevalence data, the Centers for Disease Control and Prevention 500 cities dataset was used (Centers for Disease Control, 2018). With reference to homicide, data were taken from the gun violence data archive. Additionally, census tract-level poverty data were obtained from the American Community Survey.

Dependent Variables. Three outcome variables were selected for analysis: homicide, cancer prevalence, and prevalence of coronary heart disease. Each variable was assessed at the census tract level. (Table 4.1).

Table 4.1. Key outcome variables of interest

Variable	Data Units
Homicide	Raw Count
Cancer (excluding skin cancer)	Crude Prevalence
Coronary heart disease	Crude Prevalence

Independent Variables. The primary predictor variable of interest is bank density per census tract, which is calculated in three ways. First, bank density is represented as the number of banks per person in a census tract. Second, bank density was calculated as the number of banks per square mile of a census tract. Finally, upon reviewing descriptive statistics we found that 91 of the 179 census tracts included in data analysis contained zero FDIC-insured banking institutions. As a result, we created a binary bank variable in which we considered census tracts with one or more banks versus those with no banks. As this is an exploratory study, additional variables were added to our regression models to account for additional factors which may influence the outcome variables. Each of the variables added to the models were at the census tract level, including: percentage of census tract residents without health insurance/*percent uninsured*, percentage of owner-occupied homes with a mortgage/*percent mortgage*, percentage of residents with an income below the poverty level/*percent poverty*, and percentage of vacant housing units/*percent vacant* (Table 4.2). These supplemental variables were selected by the primary researcher because they reflect the social determinants of health: health and health care, neighborhood and built environment, and economic stability, which correspond with the *HealthyPeople 2020* objectives.

Table 4.2. Predictive variables of interest	
Variable	Data Description
Percent Uninsured	Percentage of population with no health insurance
Percent Mortgage	Percentage owner occupied housing units with a mortgage
Percent Poverty	Percentage of families and people whose income in the past 12 months is below the poverty level - All people
Percent Vacant	Percent total housing units vacant
Bank Density/Sq Mile	FDIC-insured banks per square mile
Bank Density Population	FDIC-insured banks per person
Binary Bank Variable	Variable divided into census tracts with and without banks.

Sample. The initial sample included data from 180 census tracts in Jefferson County. Upon removal of data with missing values, the sample was reduced to 179 census tracts for subsequent analysis. Further, census tracts in which there were no residents were excluded from data analysis. The average population of the census tracts was 3,317 residents from the 179 included census tracts.

Analysis. Two regression techniques were utilized for the outcome variables in the present study, Ordinary Least Squares regression (OLS) and Zero-Inflated Poisson regression (ZIP). First, since the study seeks to determine if there is a relationship, or mean change in the prevalence of cancer and heart disease, and the number of FDIC-insured banking establishments in a census tract, we applied an ordinary least squares regression model. OLS regression creates a model that estimates relationships between variables by minimizing the sum of squares error. Prior to constructing the OLS models, dependent variables were tested to determine if they followed a normal distribution and to detect the potential presence of heteroscedasticity.

The homicide variable did not follow a normal distribution. Instead, the homicide values displayed a low mean and were heavily skewed. Additionally, 134 of 179 analyzed census tracts had zero homicides which prompted the research team to fit a ZIP model to the data. All dependent variables met the assumptions of the models with which they were analyzed.

Independent variables were assessed for multicollinearity, the results of which dictated that all variable inflation factors were less than 5. Of note, there was no multicollinearity between the three measures of bank density. This suggested the three variables were providing significantly different information; yet, the variables were included in each regression model separately to avoid collinearity issues. However, due to a lack of significance in the bank density variables, the results of data analysis are presented using one of the bank density variables, banks per square mile, in each regression model.

Results

Coronary heart disease. The OLS model for coronary heart disease had an R Square of .332 and an adjusted R square of .312 (Table 4.3). The F-statistic for the model was 17.180 with $p<.05$. The standardized coefficients reported in Table 4.4 suggest that the standardized coefficient for percent of owner occupied homes with a mortgage, *percent mortgage* (-.362) had the strongest effect on the outcome variable, coronary heart disease. Additionally, the *percent mortgage* variable was the only statistically significant variable in the model. The unstandardized coefficient for *percent mortgage* was -.074 which indicates that prevalence of coronary heart disease decreases as the percent of owner occupied mortgages in a census tract increases. However, the predictor variables of interest, bank density, were not significant predictors of heart disease prevalence.

Table 4.3 Coronary Heart Disease Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.576[a]	.332	.312	1.744

a. Predictors: (Constant), Percent Mortgage, Percent Vacant Homes, Percent No Insurance, Bank Density/Sq Mile, Percent Poverty

Table 4.4 Results of Coronary Heart Disease OLS Regression

Model		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	8.117	.130		62.277	.000	7.860	8.374
	Percent Vacant Homes	.046	.025	.161	1.854	.065	-.003	.094
	*Percent Mortgage	-.074	.014	-.362	-5.100	.000	-.103	-.045
	Percent No Insurance	-.000	.032	.001	.011	.992	-.063	.064
	Percent Poverty	.029	.018	.165	1.665	.098	-.005	.064
	Bank Density/Sq Mile	-.146	.098	-.094	-1.491	.138	-.339	.047

a. Dependent Variable: Coronary Heart Disease Prevalence

Cancer. The regression model for cancer prevalence displayed three statistically significant predictor variables. The R Square of the regression analysis was .384 with an adjusted R square of .382 (Table 4.5). The F-statistic for the model was 21.415 with p<.05. The variables in this regression model were slightly better predictors of cancer prevalence than were the variables for coronary heart disease. The standardized coefficients (Table 4.6) suggest the strongest predictors in the model were *percent poverty -.471 (p<.05)* and *percent mortgage -.417 (p<.05),* with *percent no insurance -.236 (p<.05)* as the third strongest statistically significant predictor. Interestingly, the coefficients of each variable suggest a negative relationship with cancer prevalence. This finding was unsurprising for the *percent mortgage* variable, as owner occupied mortgages increase in a census tract, cancer prevalence decreases. However, it presents an area for further exploration where it relates to *percent poverty* and *percent uninsured*. In those instances, as the percentage of residents in a census tract without health insurance and with an income below the poverty level increased, cancer prevalence decreased. Again, the primary predictor variables of interest, bank density, were not significant predictors of cancer prevalence.

Table 4.5 Cancer Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.618[a]	.382	.364	1.302

a. Predictors: (Constant), Percent Mortgage, Percent Vacant Homes, Percent No Insurance, Bank Density/Sq Mile, Percent Poverty

Table 4.6 Results of Cancer OLS Regression

Model		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	6.789	.097		69.736	.000	6.597	6.981
	Percent Vacant Homes	-.022	.018	-.099	-1.188	.237	-.058	.014
	*Percent Mortgage	-.066	.011	-.417	-6.118	.000	-.088	-.045
	*Percent No Insurance	-.080	.024	-.236	-3.348	.001	-.127	-.033
	*Percent Poverty	-.065	.013	-.471	-4.948	.000	-.091	-.039
	Bank Density/ Square Mile	-.075	.073	-.062	-1.031	.304	-.220	.069

Dependent Variable: Cancer Prevalence

Homicide. Based on estimates from the parameters in the count component of the ZIP model (Table 4.7), the percentage of census tract residents in poverty is significantly associated with homicide. Thus, census tracts with a higher percentage of residents with an income below the poverty level have more homicides. Measures of bank density displayed no significant association with homicide.

Table 4.7 Results of Homicide ZIP Regression Count Model Coefficients

	Estimate	Std. Error	z Value	Significance
(Intercept)	-.317	.284	-1.116	.264
Bank Density/Square Mile	-.021	.095	-.226	.821
*Percent Poverty	.027	.013	2.083	.037
Percent No Insurance	-.045	.039	-1.165	.244
Percent Mortgage	.024	.017	1.388	.165
Percent Vacant Homes	.036	.020	1.773	.076

Dependent Variable: Homicide

Based on the estimates of the parameters in the zero-inflation model (Table 4.8), percentage of residents with a mortgage is associated with structural zeros in the subpopulation. That is, census tracts with a higher percentage of owner occupied homes with a mortgage are more likely to be structural zeros.

Table 4.8 Results of Homicide ZIP Regression Zero-Inflation Model Coefficients

	Estimate	Std. Error	z Value	Significance
(Intercept)	-.020	.675	-.030	.976
Bank Density/Square Mile	-.008	.268	-.030	.976
Percent Poverty	-.036	.056	-.652	.515
Percent No Insurance	-.206	.139	-1.486	.137
*Percent Mortgage	.165	.083	1.975	.048
Percent Vacant Homes	-.037	.069	-.533	.594

Dependent Variable: Homicide

Discussion

The results of the current study indicate there is no significant relationship between the density of banks in a census tract and homicide, prevalence of heart disease, or prevalence of cancer. The findings regarding the association of bank density with cancer, heart disease, and homicide suggest that factors other than bank location and number of banks influence bank relationships, bank access, and specific health outcomes in a census tract. Further, the findings of this study suggest that more investigation is needed to determine what factors lead to differential rates of bank engagement and access in marginalized communities.

Prior to this study, we theorized that differences in banking patterns and engagement were related to the number of banks in a community, and that the density of banks in a census tract may be a useful measure of access. Additionally, we postulated that the differences in access to banking institutions may lead to unbanked and underbanked status, which is associated with poorer self-rated health outcomes (Eisenberg-Guyot, Firth, Klawitter, Hajat, 2018). Therefore, using bank density to predict health outcomes might provide insight into the relationship between the factors that influence bank location, bank access, bank engagement, and health outcomes.

Instead, the findings of the present study suggest that marginalized communities with disproportionate unbanked and underbanked status may not result from a dearth of banking locations in their communities. As such, further investigation into the factors that influence banking patterns and how those factors relate to health outcomes is necessary. Additionally, more research must be done to assess the influence of insurance status and community poverty on cancer prevalence as the findings of the current study suggest results that conflict with what may be found in the literature. The findings that a higher percentage of uninsured residents and a higher percentage of residents with an income below the poverty level is associated with lower cancer prevalence suggest potential challenges with diagnosis and access to care, although this must be explored further.

Limitations

There are several noteworthy limitations to the present study. First, data pertaining to crude prevalence of cancer and heart disease are the result of population estimates and could deviate from the actual prevalence of each disease in various census tracts. Further, cancer and heart disease data were based on self-reports of diagnosis of each disease from participants. Those results were then used to create population estimates. As such, errors in reporting and undiagnosed cases introduce error between the actual prevalence and the prevalence estimations. Also, factors outside of the variables which were included in the regression analysis likely influenced the outcome variables. As such, the predictive ability of the regression analyses may be influenced by confounding factors.

An additional limitation of the study is that the OLS and ZIP regression models used do not account for the geographic proximity of banks in neighboring census tracts. That is, *census tract A* may have contained one bank while the neighboring census tract, *census tract B*, may have contained three banks. In this case, residents of *census tract A* may have been in close proximity to the banks in *census tract B* thereby buffering the potential impact of having few banks in *census tract A*. To overcome this limitation, future research could incorporate spatial analysis. However, such analyses were beyond the exploratory nature of the present study. Additionally, the results of this study cannot be generalized outside of the sample in which they were obtained since generalizability is limited by the sampled population.

CHAPTER 5

BANKING ALTERNATIVES

Introduction

In the United States (U.S.), banking status may predict one's ability to save for emergencies such as unexpected illness, and it may also predict one's self-reported health status (Eisenberg-Guyot, Firth, Klawitter, Hajat, 2018). According to descriptions provided by the Federal Deposit Insurance Corporation (FDIC), those who do not have a savings or checking account meet the definition of *unbanked* (FDIC, 2017). Those who have a checking or savings account, but also rely on alternative financial services (AFS) such as check cashing outlets, money transmitters, payday lenders, pawn shops, car title lenders, and rent-to-own stores meet the definition of *underbanked* (FDIC, 2017). Finally, those who have a checking or savings account and do not use alternative financial services meet the definition of *banked* or *fully banked* (FDIC, 2017).

Those who are unbanked or underbanked report less emergency savings and a lower savings rate (FDIC, 2017). Evidence also suggests that being unbanked and use of alternative financial services (AFS) for those who are underbanked is related to poorer self-reported health status relative to those who are fully banked or do not engage with AFS. AFS include check-cashing outlets, money transmitters, payday lenders, pawn shops, car title lenders, and rent-to-own stores; they are also referred to in the literature as fringe banking establishments (FDIC, 2017). For many midsized urban communities like Louisville, Kentucky, decades of inequitable banking and economic policies and treatment from financial institutions have left Black and brown communities with the challenge of navigating their financial lives in alternative ways.

Alternative banking methods do not come without a cost. Low-income minority communities are more likely to utilize AFS, and AFS providers are disproportionately located in low-income minority communities (Gallmeyer & Roberts, 2009; Sawyer & Temkin, 2004). The financial costs of these services are tremendous. Fees charged in the alternative market are often significantly higher than those charged by traditional banking establishments for similar services. Interest rates can be 15 to 17 percent for a two-week loan; annual percentage rates (APRs) can range as high as 300 percent (Sawyer & Temkin, 2004). This is not to say that banks are not also expensive for low-income populations; banks simply make their money in a different way, through fees and penalties. Yet, the present study aims to develop descriptions relating to which AFS Black residents of West Louisville, Kentucky utilize, why particular services are used, and the thoughts and beliefs about the services themselves.

Methods

Ethical approval. The Institutional Review Board at the University of Louisville reviewed and approved all research materials prior to data collection. The lead researcher discussed the study with and obtained informed consent from all interview participants.

Study sample and setting. The current study's sample is comprised of 14 adults who reside in West Louisville, Kentucky, ranging in age from 24 to 47 years. West Louisville (WL) is a cluster of nine neighborhoods within the Louisville Metro area that continues to suffer the impacts of current and historical racial marginalization. Geographically, WL covers 22 census tracts and includes five zip codes (Kentucky State

Data Center [KSDC], 2014; United States [U.S.] Census Bureau, 2012a). Nearly half of WL's 62,000 residents (42.7%) live below the federal poverty level, compared to 16.5 percent for Louisville Metro as a whole (United States [U.S.] Census Bureau, 2012a). The majority of the WL population is non-Hispanic Black, as were all interview participants. Of the 14 participants, seven met the criteria for being categorized as unbanked, and seven met the criteria for being considered underbanked. The lead researcher conducted all 14 interviews in various WL community locations that afforded sufficient privacy for the discussions.

Sampling strategy and recruitment. The study employed a purposive sampling strategy, which is appropriate for a qualitative exploratory study. This strategy allowed the researcher to ensure representation of various experiences and characteristics within the sample to include many relevant perspectives regarding banking status and financial practices. The lead researcher worked through existing relationships with community organizations to recruit participants, and also engaged in snowball sampling. The researcher screened each potential participant to ensure they met the inclusion criteria, and then reviewed the consent documents thoroughly prior to beginning the audio-recorded interviews. Participants completing interviews were provided with a $20 incentive for their time.

Data collection. The interviews, conducted in June 2019, averaged 45 minutes each. Following each interview, the audio recording was sent to a professional transcription service, which the researcher then validated against the recording before deleting the audio file.

Data Analysis. The study was guided by a constructivist grounded theoretical approach (Charmaz, 2014). Grounded theory is a general methodology developed to discover the underlying social processes driving particular behaviors within specific groups or populations (Glaser, 1978). The practice of memoing was used by the lead researcher and his associate to record important ideas, observations, reactions, and connections throughout the process to subsequently inform the analysis. Memos made during various stages of data collection and analysis were critical for identifying concepts and categories as well as for the ultimate conceptualization of the behavior pathways (Strauss, 2006; Strauss and Corbin, 1998). Analysis began with open coding, in which the researchers reviewed the transcripts line by line to develop codes representative of concepts that emerged from the data. This process afforded an opportunity to observe patterns within the codes and to organize the initial codes into higher order themes. Critical to this methodology is achieving theoretical saturation, which occurs when the incorporation of additional data provide no novel insight; in other words, the established codes cover all the data (Charmaz, 2014). By conducting analysis as each interview was completed, the research team was able to probe specific areas in subsequent interviews, and achieve theoretical saturation after 14 interviews.

Following the open coding process, focused coding using Dedoose™ software returned to the researchers' memos and the data to evolve the codes into full concepts rather than simple descriptions. The lead researcher and his associate each coded the data independently, and then met to reconcile any deviant cases; the interrater reliability score between the two was .89. All discrepancies in the application of codes were discussed between the researchers until consensus was reached on the coding for the data that made the most theoretical sense, and those data segments were recoded accordingly.

Results

Sample characteristics. The disposition of the study sample is summarized in Table 5.1 below. All interview participants met the FDIC criteria of either unbanked (50%) or underbanked (50%), which was part of the inclusion criteria. The mean age of respondents was 34.6 (SD=6.48). Thirteen of the respondents identified as Black/African American, with one identifying as mixed race; all were currently employed, and the sample was fairly balanced between individuals who identified as male and those identified as female.

Table 5.1. Demographics of Interview Participants

Variable	Mean (SD) or N (%)
Age in years (24-47)	34.57 (6.48)
Gender Identity	
Male	8 (57.1%)
Female	6 (42.9%)
Racial Identity	
Black/African American	13 (92.9 %)
Mixed Race (Black & 1 or more other races)	1 (7.1 %)
Employment Status	
Employed	14 (100%)
Banking Status	
Underbanked	7 (50%)
Unbanked	7 (50%)

N = 14 Participants

Qualitative Findings. In the interviews, participants outlined what AFS they used and discussed why they used them. In nearly every instance, participants utilized AFS to conduct financial transactions in lieu of traditional banking, to avoid banking institutions, and due to financial hardship. As such, the findings of this study provide additional context to the findings of the 2017 FDIC survey of Unbanked and Underbanked Households as to why each type of AFS is used. Additionally, the data analysis revealed four important concepts: 1) Residents are acutely aware of AFS harm despite use; 2) Residents find AFS as the best of many poor options; 3) Residents do no trust traditional banks; and 4) Prepaid cards provide a pragmatic alternative for residents to conduct their financial transactions. Each of these concepts is addressed in detail below. Prior to discussing these themes, we provide a summary of each of the AFS participants reported using as well as the common reasons for use.

Each participant was asked to what extent they used money orders, check cashing, pawnshop loans, payday loans, refund anticipation loans, remittances, rent-to-own, and if there were any additional AFS they utilized. The specific AFS that were asked reflect those reported in the 2017 FDIC Survey of Unbanked and Underbanked Households. The majority of participants in the study had utilized each of the AFS services with all participants having used some combination of services. Participants described why they used each service as well as their rationale for using that particular service outside of a traditional bank.

Money orders. A money order is an order issued by a post office, bank, or telegraph office for payment of a specified sum of money usually at any branch of the issuing organization (Merriam Webster, 2019). Participants report using money orders to pay bills and rent. A common reported reason for the use of money orders is that payees require them, as was captured when one participant stated, “Because that's how the lease office requests it. They don't want checks. It either has to be an official check or money order; they don't do the whole direct deposit thing.” However, the most common motivation for money order use was to make payments and have a receipt for proof of payment, and to alleviate concerns of the funds not being available due to confusion with the way transactions post with checks and traditional bank accounts. One participant explained it this way:

> Because I got a receipt. It's automatic...right there on the spot a receipt. Instead of having to wait on the confirmation number or wait on them to get the money out of my account, when I already got the money in hand, I get a money order and send it. So that way I can keep track of what's going in and coming out of my account.

This relationship was directly captured in an exchange when a participant was communicating the benefits of money orders compared to checks or other, more traditional banking methods:

> Interviewer: Okay. What makes you use money orders rather than sending the money with your bank, or sending it with a check?
>
> Interviewee: Because I can keep better track of the numbers myself like that.

For respondents, the fee charged to purchase a money order was the price they were willing to pay to alleviate the risk and expense of a potential non-sufficient funds or overdraft banking charge. One participant communicated that by taking the money out of the account in person, they could be sure of how much money was coming out and that extra charges could be avoided:

> Because if I go to the bank and get the money out of my account, I know I'm not being charged. So when I go... a money order is only 80 cents to a dollar. Only need a certain amount of money orders, maybe two or three. So nope.

Participants also reported feeling more comfortable cashing their checks and taking the money rather than leaving their money with a traditional banking institution. This sentiment emerged when participants discussed why they used check cashing as opposed to traditional bank accounts.

Check cashing. Participants reported utilizing check cashing outside of traditional banks for several key reasons. Many respondents utilized check cashing simply because they did not have a bank account. However, the most telling trend emerged when respondents discussed the factors that made them avoid banks in favor of check cashing, despite the fees they were charged to cash their checks. In each instance, bad experiences and poorly understood or hidden fees levied by banks gave bank accounts the potential to be significantly more expensive than check cashing outlets:

> I kind of like the neighborhood people better than bankers. Plus, I feel like they're more reliable, and I feel like they're more trustworthy because it's like you and me, you know what I mean? It's not like a total stranger, you know what I'm saying, telling me about my money, you know what I mean? It says what it does.

Interestingly, although many participants described many of the businesses in their community as exploitative as they charged higher prices for products relative to stores in other parts of town, they trusted them far more than banks and had better relationships with them, not because they did not charge expensive fees, but because they were transparent about what they charged up front. This sentiment was very common, and made check cashing more convenient and more trusted. Several examples of these were when participants stated the following:

> Interviewer: How do you feel about being charged money when they cash your check for you?
>
> Interviewee: I mean, that's the business. That's just the business. I mean, you're paying them for a service. Obviously, they're not going to cash your check for free.

Similarly, another participant remarked:

> Sometimes, the bank's fee may be more than a check cashing location. Sometimes it's just the time of trying to get something done right now versus going to the bank. So, I just go into a liquor store, pay an extra five bucks and get my money or whatever.
> It was just that they charge you at the banks. I just chose I'd rather go to [redacted store name] and pay like a dollar something.

After discussing check cashing, participants also described their experiences with pawnshop loans in instances of financial hardship.

Pawning/pawnshop loans. Pawning is a pledge and transfer of possession of movable or personal property to a creditor which gives the creditor the privilege of satisfying the debt from the property (as by selling it) if the debt is not repaid within a specified time (Merriam Webster, 2019). Respondents acknowledged that pawnshop loans were costly transactions. However, respondents also considered banks as costly resources that were ostensibly no different; the distinguishing factor was that pawnshop loans explain the terms upon initial engagement, whereas banks did not, and respondents had access to loans from pawnshops and not from banks. The issue of access to a loan was captured in the following exchange:

> Interviewer: What made you use a pawnshop loan instead of, maybe, going to a bank?
>
> Interviewee: Because the bank won't give me a loan, period.

Another participant explained:

> I don't know. I mean, one, probably my credit isn't the greatest credit in the world. I really never, I won't say I necessarily asked, I just know if I go there that they wouldn't give me a loan. I just, one, with a loan, I never ... When I think of a loan I think of a large sum of money. Not something like $100. So with that, one, I wouldn't want to get something loaned to me for you know, $5,000, $6,000 because that's a lot of interest, a lot of money that you have to pay back. So I just never necessarily tried because I just feel I wouldn't get it. They wouldn't loan it to me. So I never put myself in that predicament to have your hopes up and then go in and it not work.

However, many respondents were so averse to traditional banks that they would have avoided them even if they were able to qualify. When describing their use of pawnshop loans, one respondent explained:

> At the time, you know, I didn't have a job. I needed gas, and everything, you know what I mean? I didn't have no job or nothing, so I was like down bad, you know what I mean, so this was the only little type of money that I was going to get to make whatever I needed to make happen, you know what I mean? But, even if I had the credit to get a loan from the bank, I wouldn't, because it's like, they misuse, it's like misuse accounting by them.

Another participant echoed this sentiment, saying "I don't think I had enough credit for them to even give me a loan in any type of way, and then on top of that, if I did, I wouldn't want one."

When describing pawnshop loans, and interaction with pawnshops, one participant explained they were similar to banks, but that banks would take more extreme measures to be repaid:

> You have to pay back double what they give you. But, if you ain't got it now, what makes a person think that you're going to have it later? It's the same thing as a bank. It's the same thing as what loan sharks do, you know what I'm saying. They know you ain't got the money. They're going to give you the money, but you got to come up with twice as much to pay them back, you know what I mean? That's the bank for you. It's just the bank, they going to break your legs and get the money back, you know what I'm saying?

Participants often explained their rationale for engaging in such loans in similar ways, typically in instances of extreme financial hardship. As one participant explained, "For the fact that I was broke and that I needed money at the time. So I pawned something." Another participant explained, "Because I needed the money at the time for gas, food." Thus, a combination of financial hardship and rapid access made pawnshop loans attractive. This was similar to explanations of why participants utilized payday loans.

Payday and refund anticipation loans. The Consumer Financial Protection Bureau (CFPB) states that while there is no set definition of a payday loan, it is usually a short-term, high-cost loan, generally for $500 or less, that is typically due on one's next payday (CFPB, 2019). Fees often range from $10 to $30 for every $100 borrowed depending on state law and the maximum amount a state permits for borrowers. It also states that a fee of $15 per $100 is common; which equates to an annual percentage rate of almost 400 percent for a two-week loan.

Depending on state law, payday loans may be available through storefront payday lenders or online (CFPB, 2019). The CFPB also explains that tax preparers may offer customers an advance on money they are expected to be paid on their taxes in the form of a loan against a portion of the estimated amount of one's tax refund. This loan is called a refund advance loan or refund anticipation loan. The amount of the advance funds is often based on a fraction of the full amount of one's estimated tax refund less tax preparation service charges and other fees (CFPB, 2019). This is a short-term loan, usually for less than one month or until the IRS sends one's full refund to the tax preparer. Respondents reported using payday and refund anticipation loans for similar purposes—bills and unexpected expenses. One participant described their situation this way:

> Oh, I needed to get a part for my car. My alternator went out, and then I was able to put it back in and everything and then yeah... I think it was $500 or something like that. But yeah, I just needed to fix my car because my car was like literally broke down on the side of the road, so I had to get it fixed.

However, respondents also reported that each of the loan types typically made their situation worse and as a result, was a last resort, even relative to pawnshop loans.

Respondents outlined their preference for pawnshop loans relative to payday or refund anticipation loans during hardships explaining:

> Well, just trying to get through. Just trying to make it throughout the week. Maybe I'm short on some money paying a bill and I pawn something and end up getting it out maybe like a week later. Just trying, it's basically like a payday loan but you're not getting the payday loan with the fees tacked onto it. It's just 10 or 15 bucks that they want to give you the loan at the pawn shop. It's a lot cheaper versus getting a payday loan.

Another participant related:

> Because I was ... I didn't have no merchandise at the time to pawn. So I had to go to the next phase, and my money was two weeks, every two weeks pay. So I said, "I might as well try a payday loan."

The excessive fees and interest associated with payday and refund anticipation loans made participants' financial circumstances more difficult. Explanations of the harm caused by payday and refund anticipation loans were abundant:

> Behind in bills and used it a few times just to try to catch up. Basically I just dug a hole for myself. I dug a hole for myself. What the old folks say, pissing in the wind. You understand what I'm saying?

Some respondents had outstanding loans they were not able to pay back. As told by one resident, "I got one. I have to pay them back. I haven't paid them back. It's been a couple of years since it's been out. I can't even go get another payday loan until I pay that one off."

Another respondent described how additional ongoing unexpected expenses create a larger problem after taking out a payday loan. When asked if payday loans had a long-term impact, they explained:

> Yes, because if I get a loan for a hundred dollars every two weeks, if they're every week, there's going to be like, 10 dollars every week. That's an extra 40 dollars. If I'm not able to pay it, that first week, the second week it's going to be like, 118. So, I'll be paying 36 dollars a month in order to pay off that hundred dollar loan. But if something, like I said, with my car happened, what if I'm not able to pay it

> out. So, that's the negative impact of it. You never know what's going to happen. But, you already signed the deal.

Following discussions of refund anticipation and payday loans, participants described the circumstances that lead to their use of remittances.

Remittances. A remittance is simply an amount of money that is sent as a payment for something. For the purpose of this study, remittances were most often sent through various financial institutions after a service fee was paid (Merriam-Webster, 2019). Commonly known remittance services include Western Union and MoneyGram. Respondents uniformly used remittances to send and receive money to and from friends and family. In most instances, remittances were used by respondents who did not have a bank account. One participant described their situation:

> Yeah. I have a friend that I'm dealing with. Me and my wife, and my wife or my kids, they live in [redacted city and state]. I didn't have a bank card or anything like that. I'm far back as far as using transferring money through the phone and all this. I just used Western Union to send them some money.

Interestingly, many participants found remittances more convenient than sending money with a bank, even those with bank accounts. One participant stated “It's just more convenient for different stuff,” others explained “I guess it's quicker to send a MoneyGram. Or cash it out.” Another person interviewed emphasized the convenience:

> It was a quick way to send money to someone. I just find it to be more convenient to send them money versus I guess getting on a computer and getting I guess numbers on a card, I forgot what those number on the back, like the numbers where you transfer money from card to card. That's just a hassle. You got to get your routing numbers, get their routing numbers. It was just too much at the time in order just to send some money. At Western Union you pay five bucks, ten bucks, whatever.

And still another echoed this experience:

> I had a bank at the time. But this was easier for them and it was something that they knew, that they wanted to do, Western Union, a MoneyGram. It was faster.

> Because I know sometimes when you transfer money from bank account to bank account, that it can take up to one or two days to do that. So it was easier and faster.

Finally, participants also experienced confusion and distrust where it related to sending their money through smart phone applications. This was best captured when a respondent explained:

> I'm not educated on that, as far as using the computer. I don't have CashApp. I'm ignorant as far as knowing what to do to transfer money from my bank account to somebody else's card and all that. I was just in the dark about it.

The last AFS use that was explicitly asked about in interviews was rent-to-own services.

Rent-to-own. A rent-to-own vendor allows customers to rent consumer goods, such as furniture, appliances, home electronics, and computers, by paying regular rental rates. The customer has the option of taking ownership of the item after a certain number of payments (encyclopedia.com). However, as participants also note, utilizing rent-to-own services results in paying far more for an item than it is worth. The findings surrounding rent-to-own use were unsurprising to researchers. Participants reported using rent-to-own services to purchase items for which they did not have the funds to purchase outright. Many respondents also reported feeling that they would never be able to own the things they were purchasing if not for utilizing rent-to-own services. This was due to a lack of funds and a lack of access to traditional credit:

> Because back then, when I was renting to own, I had to budget. I didn't have the money to buy things straight out. I had to go through the rent to own process to get it when I needed it.

Another participant agreed saying, “I guess the numbers that they threw at you. As far as you can get a TV or you can get this and this for $20 a week. It just fit into my little budget at the time.” An additional participant had a similar experience as they recounted:

> It's like, I saw something that I wanted. I knew I wasn't going to have the money right then, because I have to work for everything. I don't have, I'm not an heir to anything. My mom doesn't have money left behind for me. After I turned 18, I'm just a worker.

However, participants also acknowledged the importance of reading and understanding the details of the rent-to-own products and the long-term cost they would pay:

> I went to them even though they've beaten my head in because like I told you I'm learning; read, read man! I could have went to Walmart and got a fifty inch for $150, no $98 but I just went and got a sixty five inch, and a PlayStation altogether even though I ain't paying nothing but a dub [$20] for both of them, in weeks, in the end I'm going to end up paying twenty-one hundred fucking dollars, and I did not read that.

Following discussions of the various alternative services used by participants, researchers evaluated the trends in AFS use and the similarities that emerged.

Understanding the many types of AFS and how people are using them, we turn our attention to the four key themes that emerged from the interview data: 1) Residents are acutely aware of AFS harm despite use; 2) Residents find AFS as the best of many poor options; 3) Residents do no trust traditional banks; and 4) Prepaid cards provide a pragmatic alternative for residents to conduct their financial transactions.

Awareness of AFS harmfulness. The first trend was that participants were fully aware of the long-term harm of AFS use. In other words, in almost every instance, with minimal exceptions such as the respondent’s experience with rent-to-own, participants knew AFS were not beneficial over the long term. When discussing the long-term negative impact of AFS use, respondents uniformly acknowledged the harm. One respondent outlined how a high interest loan on a vehicle made a difficult situation worse:

> Well, with a high-interest loan, it's just basically going to be harder to pay it back, which is putting you in a situation where you will default more than if you was

> with a bank that you could get a loan through for 5% or something like that. You'll be able to pay that off quicker. With higher interest, like I said, most people will default on it because, just so hard to pay off. The first half of your loan or whatever duration, most of your money's going towards the interest payment or the principle. No, it's not going towards the principle, basically you're just feeding that machine. It's just going back to them, which is not coming off your principle. So, it's harder to pay off.
>
> In my instance, I had a $18,000 loan. I got all the way down to $2,000 and they snatched my car away from me because, I was a couple months behind. Call them back, "Hey, I got the money now.” "We don't want to talk to you. We got your car." That's just the game. If you don't take care of your business, it hurts you in the long run. When you deal with the high-interest things like that, loans, you putting yourself in a real bad position.

Many respondents outlined the harm caused by AFS while also acknowledging that given their financial situation, the services were enticing and useful in the moment:

> Ah, it does, because renting to own, all that, with the interest stuff on it, you're paying more out than what things is really worth. Paying for it 10 times what it's worth. They getting over. But at the same time, it's good that they do have things like that for people like me, because we don't have it to pay all out at once. You're still being able to use it while you're paying it off. But I won't do no rent-to-own stuff anymore.

In this example, the participants’ inability to pay with cash or access traditional credit left him with the more expensive rent-to-own option. Another respondent had a similar story, describing how difficult it was to dig out of a hole caused by payday loans:

> Yes. I was able to catch back up, but it was hard. It was hard. You get that payday loan. Now you took care of the bill you had to take care of. You feel so-so about it. Now it's time to pay that payday loan back. Your check come, so it's what they call you robbing Peter to pay Paul. Now this week check come, and I pay this bill, pay the payday loan off, but I got another bill that I need to take care of. Now this bill is coming up short in order for me to get this out the way. The rent or the light or something, you don't want to get that cut off, or groceries.
>
> You definitely need that. You find yourself going back to the payday loan. You're paying it off just to borrow it right back. You understand what I'm saying. You're spinning wheels. You're not getting anywhere or anything like that. Each time you go back and do it, it's putting you two steps behind. You'll never catch up unless you just say fuck it. Something's going to have to just wait and put off till the very last moment in order to get that out your hair.

After respondents consistently displayed a negative view of the impact and long-term implications of AFS use, interviews shifted such that questions could probe why AFS use persists in spite of all of the negative impacts.

AFS are best among many poor options. The findings suggest that for many respondents, AFS use is the best among many poor options. As one respondent explained:

> If I had to. If I had to, yeah. What other avenue would I have to go? What other avenue would I choose? My options are limited. As far as legally obtaining some money that I could borrow, or get somebody to loan me legally, my options are limited. If I get into a situation, it's going to be built up to where I need it at this moment. To go through the process with the bank and everything, it will take too long. Honestly, I don't think I would get it anyway.

Another participant described having no better option in emergency situations, stating, “You always fall into emergencies at some point in time. It does come in handy when you have an emergency. You just got to pay that stuff back. That's all.” Indeed, the most common descriptions of the use of AFS was for unexpected emergencies and bills. When describing circumstances under which they had previously used a payday loan, and when they might use it again, one participant explained, “If anything, I go the day before I get paid, or some shit like that just because a bill is due.” However, there was another major finding. When probing respondents, there was more than the ability to rapidly obtain funds and be approved for a loan that made AFS more attractive lenders than traditional banks.

Traditional banks are not trusted. Participants’ described experiencing racial discrimination and unfair treatment from traditional banks. When describing how banks viewed them as they entered, one participant stated "Oh, you're Black. You ain't going to pay us back. We don't want to deal with you." Descriptions of racial discrimination were abundant. In fact, participants cited the bias and prejudgment they experienced as a key reason for seeking financial services elsewhere. When discussing why they chose to use AFS over other options, one participant expressed:

> Yeah, because I don't have to go through all that stereotype to go get my money. I go straight to my money, put it in my pocket, and go buy what I need versus going to a bank. "I'd like to withdraw this" and take about 20 minutes, and they're sitting there like, "He's probably going to go buy drugs or something," versus "He could be going to go buy something to help support his family." You know what I mean?

Respondents also linked racial discrimination with being poorly informed on how accounts operated and ultimately being charged hidden fees. As one respondent stated, “That's another thing with the banking. Unexpected fees.” Another respondent related:

> A lot of the trust just comes in with me just managing my money and keeping ... I don’t trust them, because I feel like I have to watch my money so closely. And because sometimes they have fees, and they don’t always show the fees. Sometimes, I’ve had to actually call on the phone to find out, okay, my balance is different than what it’s showing. Then you find out, okay, there was such and such fee. There is an issue with that.

As a result of such experiences, participants expressed that interaction with traditional banks had no benefit to their financial situation and that avoiding banks may actually be beneficial.

Respondents linked the negative views of banks to their experience of systemic racism. When discussing the frustrations that were experienced with bank interaction, a respondent linked the issues with racial discrimination to historical challenges, stating, “Sometimes, I hate to say it, I hate waking up being a Black man in America due to the segregation things we go through.” Another participant described experiencing disparate treatment based on race this way:

> Same thing with that. Like I tried to go in and get a loan. I had problems. I had to go through the ring around. But then once again, Mr. Jim and Miss Betty come in, they ... going, "Just let me see your ID. I got you. I'm going to get you squared away." And I'm like wow. You know I've seen it happen a couple times, and I'm like, it's just crazy.

Experiences such as these led respondents to distrust banks, further reducing their favorability among multiple predatory options.

While finding strategies to navigate a complex financial landscape, participants described two outstanding challenges. The first challenge was that respondents needed alternative ways to store and save money. When discussing how to accomplish this task, it was even more apparent that banks were not trusted by study participants and that to put one’s money in a bank was to put money at great risk of loss. When discussing how to store money, one participant stated, “I can hold onto my own money, you know.” Another participant explained, “I feel more safe with having my own money at home under my mattress or in a shoebox or something like that.” These alternative money storage solutions were especially common. Another participant said “But, I'm more like of a person that ... I'm more of a shoebox type of guy, you know what I mean?” Still another said, “I'd rather buy me a safe from the store and put my money in my safe.” This was a critical point in many of the interviews as a key finding emerged. That is, the literature holds that many persons who fit the criteria of “fully banked” are banked because storing money in a bank is perceived to be safer as it may prevent money from being lost or stolen. However, for those in the study population, it was the opposite. In fact, banks were viewed as so predatory that even participants who had been robbed of money kept on their person did not feel more confident in storing their money in a bank. One participant explained:

> Yeah. I've had incidents where guys have tried to come up on me and take my money from me. But they didn't know I still had this in my shoe or in this pocket that they didn't check, so I've done that. And that's what made me want to say, "Let me get a bank account." And then mostly everything you pay for now is online or through a credit card. So it's like I want to switch over. But it's like a 50/50 that I'd rather just keep my money at the house.

Participants often described feeling conflicted. Although they did not feel that their money was safe in banks, they felt that they needed bank accounts to conduct a number of financial transactions. This sentiment communicates the second key challenge that participants experienced which resulted when participants described the number of ways that not having a bank account was a hindrance to their lives. They discussed how businesses and those who provided various services often required them to have an account of some sort to be eligible for the services. As one participant articulated:

> I'm going to tell you why, because without a bank account, or a card with your name on it, you can't do certain shit because I just tried to get a rental car, but because I didn't have card with my name on it I couldn’t. So they force you in there.

To overcome this challenge, participants overwhelmingly reported use and satisfaction with prepaid debit cards.

Prepaid cards provide compromise. In participant interviews, the widespread use of prepaid debit cards was rapidly apparent as a participant verbalized, “I use my [Redacted prepaid card name], which is like a bankcard, but it's not like an actual establishment, do you understand what I'm saying?” Once introduced by participants, the use of prepaid debit cards was explored further and understood to allow participants to conduct financial transactions with goods or service providers who required a card, and to store their money in an account without danger of loss from overdraft or other unexpected fees. This does not suggest that the prepaid cards were free, but that participants felt the money they were charged for prepaid cards was better understood and more straightforward than traditional bank accounts. When discussing the decision to use a prepaid debit card, one participant expressed:

> Interviewee: Right now, I don't have a bank account. Like I told you originally. I've had bank accounts in the past. Right now, I use a [redacted prepaid card name] card.
>
> Interviewer: What makes you utilize [redacted prepaid card name] instead of a bank?
>
> Interviewee: Well, right now, I feel like it's easier for me. I don't have to worry about all the overdraft fees and things like that, which I've experienced in the past. I've had a lot of issues with, I guess, not handling my books right on my end. Just seemed like every chance they get, they throw in fees in on me, and I've been able to avoid a lot of fees by using a [redacted prepaid card name] versus an actual banking institution this time.

The general confusion around the banking process and the fees that traditional banks charge was reiterated many times. An example was when a participant explained why having a bank account was not particularly good:

> Not being able to keep up with the balance, signing up for different things that I didn't ... You know, not keeping up with when it's going to come out, the fees, the NSF fees that I couldn't keep up with. It was either pay the NSF fee or pay the debt, something like that. Not having good knowledge about banking in general.

Another participant described how they were charged for their prepaid debit card and why it was useful to them, stating, “They charge me $5 a month. I put my money on that, and pay my bills when I need to electronically that way.” The process of using a prepaid debit card was described in more detail when a participant described losing out on making interest on the account, but paying a fee that they were more comfortable with, relative to paying traditional bank fees:

> Right now, I'm not getting any interest on my money, just a $5 fee every month coming off that card. Which is not bad, to me, because most banks charge about that much or more to have an account with them period. The way I navigate, I use

> a prepaid debit card, because I feel like it's the same. And I do most of my transactions ... go to Kroger's, put my money on the card, which I got to pay $3 to do that. I end up paying about $8 a month for the account. That's what I do.

In general, the interview results suggest that utilizing prepaid debit cards provided study participants with a solution that allowed them to avoid the danger of committing their money to a traditional banks while providing an account to conduct cashless financial transactions.

Discussion

The purpose of this study was to evaluate what alternative banking methods are utilized by Black West Louisville residents through interviews and qualitative analysis. The results of the study provide information regarding the AFS used as well as the rationale for why such options are utilized. The results of the study also detail a larger emergent theme whereby consumers recognize the financial harm caused by use of AFS, but still opt to utilize such services; an apparent contradiction until participants revealed additional complexities. That is, AFS are the best of many less than ideal choices participants have. Participants revealed an explanation for these circumstances when they expressed that banks were not a viable option due to racial discrimination, expensive overdraft fees, and hidden fees which led to general feelings of distrust regarding traditional banks. The findings of the current study provide additional context to studies such as Sawyer et el. 2004 which suggests that AFS providers do not operate in isolation from traditional banks and that “contrary to popular perception, consumers do not choose alternative financial service providers because an area lacks mainstream providers.” Moreover, they explain that:

> Location is not the only factor affecting a customer’s decision to use an alternative provider instead of a traditional bank. It appears that mainstream

> financial providers either are not offering lower-income, minority households the core products and services they need or providers are not effectively reaching out to these consumers. These possible shortcomings point to the need for further research into the financial service needs of low-income communities and the effectiveness of different outreach strategies. (Sawyer & Temkin, 2004, p. 4).

Finally, participants viewed prepaid cards as an option that provided access to financial transactions which required a debit card without exposure to the risk associated with having a bank account. These findings have several implications relevant to public health's approach to financial literacy and financial practices.

The findings regarding AFS use suggest the need to modify the approach that public health uses to address and define financial literacy. Data analysis revealed that participants utilized AFS in times of financial hardship, to avoid hidden fees from traditional banking institutions, to avoid overdraft fees from traditional banking institutions, and to conduct financial transactions that would require a receipt. Overall, participant's avoidance of traditional banks led to the use of numerous alternative services. While several participants acknowledged that they did not feel as though traditional banking was an option for them for services such as loans, they also explained that they viewed banks as dishonest and opportunistic which lead them to use alternative methods even in instances where they could access a traditional bank.

This theme became increasingly apparent when participants expressed acute awareness of the harm caused by consistent AFS use while still engaging with businesses who provided alternative services. This findings conflict with studies which suggest that AFS use is the result of a deficit in the availability of FDIC insured banking institutions. Our findings suggest that access to a physical bank locations does not significantly influence AFS use. The findings also defy studies which suggest that low-income communities utilize AFS because they do not understand the financial harm that may result from such a decision.

Awareness of the impact of AFS use. Many studies and interventions suggest that disparities in use of AFS between various populations are due to differences in knowledge of how AFS products work, and the implications of their use (Bumcrot, 2011). In some instances, this may be true. However, the results of the present study suggest that participants were keenly aware of the harm caused by AFS use due to the high fees and the likelihood that a participant may have to utilize them again in the future. However, for most participants, AFS were not used because they were unaware of the implications of their use; instead, participants were choosing from among many opportunistic service providers, of which the previously discussed AFS emerged as the most useful. The process through which participants made such decisions was often a cost-benefit analysis where it pertained to their options; further, this assessment was done rapidly, as participants were often in situations that required quick responses as a result of unexpected expenses and tardy bills. Again, this notion challenges studies which suggest AFS are used as a result of low financial literacy. Often, interventions present traditional banks as a prudent alternative, however, our study suggests that traditional banks are not trusted.

Traditional banks are not trusted. The call of the Saywer (2004) study which suggested that AFS use was not simply due to a lack of banks, was for further research into the financial service needs of low-income communities that prevent them from utilizing traditional banking institutions. The findings of the current study indicate that banks are both predatory and punitive to low-income Black communities. Participants communicated the level of distrust they had for banks as well as the predatory nature of banks, but there was an added layer of complexity; in order to have an account with a bank, participants had to leave all of their hard earned money in an account with the banking institution. This proved too risky for many of the participants as they had experienced loss of money due to hidden fees; service charges, and poorly understood overdraft fees when engaging with banks in the past. For them, this made avoidance of banks a sensible financial decision.

Additionally, participants did not distrust banks exclusively because they charged fees, instead, participants felt that banks were not honest about their fees and with regard to how customers could avoid paying such fees. This sentiment was overwhelming when speaking with study participants and ostensibly led to an “anything but banks” mentality. Thus, clarity of function and purpose with regard to a financial product or service was more important than the amount of fees or interest charged. This led to participants having more trust in those AFS providers in their communities relative to banks. This also pointed to an area of improvement for traditional banking institutions in their interaction with marginalized communities. In our study, the distrust of banking institutions also led to the use of prepaid debit cards. This allowed participants to avoid committing their money to a banking institution and as a result, to avoid the fees and racial discrimination they experienced when engaging with banks. It is important to acknowledge that participants’ prepaid accounts were not free; instead, they typically paid a flat fee each time they loaded money onto the card. In addition, they were not able to overdraft the account to which the card was attached. For participants, the cost of loading money onto the card was worth eliminating the risk of various bank fees. The findings of this study suggest that participants use AFS as a form of protection against harm from other, more harmful financial institutions.

Limitations

This study does have limitations. Since financial behavior and discussions about those behaviors are private, some participants may not be completely forthcoming with regard to their financial situations and explanations of their behaviors. Steps were taken to assure participants that data would be de-identified and that their data will be confidential to the extent capable under the law to mitigate this potential limitation. In spite of the potential limitations, this study contributes to the public health literature by enhancing our understanding of the impact of racism in historical policies on banking practices, wealth, and health outcomes.

Implications

For decades, discriminatory policies and practices, *de jure* and *de facto*, have systematically created resource poor communities in many urban U.S. neighborhoods. The impact of these policies manifests today as highly segregated communities who experience significant inequity in income, wealth, employment, health outcomes, and numerous other areas. The current study suggests that residents of such environments who experience these inequities are often left to choose from among predatory institutions, as opposed to avoiding financial institutions all together.

The results of this study present a need for policy advocacy and change around financial institutions that disproportionally target and profit from the exploitation of marginalized populations. Further, the findings suggest that the normalization of traditional banking as opposed to AFS creates a good versus bad dichotomy that is not accurate or applicable to many low-income, often minority communities from whom banking institutions gather profits from punitive fees and charges. The result of such normalization leads to interventions that seek to “bank” those of meet the criteria to be categorized as unbanked. However, such an intervention may actually expose residents of marginalized communities to further harm. In actuality, many participants felt their choices presented a “lose-lose” situation in which either options, traditional banking or AFS use, were less than ideal. In fact, the results of this study suggest that for some, the avoidance of traditional banks is a prudent financial management decision. As such, we must re-characterize how we discuss and define and approach financial literacy for marginalized communities. Further, this study suggests a need for further research on the impact of prepaid debit cards in general, and in marginalized populations.

CHAPTER 6

WHY ARE MARGINALIZED COMMUNITIES UNBANKED? A TALE OF PREDATOR AND PREY

Introduction

In the United States (U.S.), health outcomes are often irrevocably linked to fiscal resources such as wealth which provide access to healthy foods, safe housing, and quality healthcare (Iton, 2010). The distribution of wealth and resources in the U.S. is, in many instances, a reflection of the impact of the implementation of historical government policies such as the Home Owner's Loan Act, the National Housing Act of 1934, and the Serviceman's Readjustment Act of 1944 through practices such as redlining (Courtemanche and Snowden, 2011; Gotham, 2000; Wheelock, 2008; United States, 1944). Such policies have contributed to drastic racial inequities in wealth. In the U.S. in 2014, the median wealth of Black Americans was $9,590 compared to $17,530 and $130,800 for Hispanics and non-Hispanic white Americans respectively (U.S. Census Bureau, 2018). Although the Civil Rights Act of 1964 and the Fair Housing Act of 1968 addressed government-sanctioned discrimination, *de facto* discriminatory practices persist. Bayer et al. found that Black Americans are 103 percent more likely to receive high-cost mortgages for home purchases compared to white Americans, even after controlling for detailed borrower and loan attributes like credit score and loan underwriting (Bayer, Ferreira & Ross, 2017). In addition to inhibiting wealth accumulation, for centuries, government-sanctioned discrimination has forced Black

Americans to find alternative ways to conduct routine financial transactions and behaviors such as banking.

Banking status. The ways in which people interact with financial institutions such as banks, credit unions, and fringe lending establishments may be collectively captured and described as one's banking status. According to the Federal Deposit Insurance Corporation (FDIC), those who do not have a savings or checking account are categorized as *unbanked* (FDIC, 2017). Those who have a checking or savings account but also rely on alternative financial services (AFS) such as check cashing outlets, money transmitters, payday lenders, pawnshops, car title lenders, and rent-to-own stores are categorized as *underbanked* (FDIC, 2017). Those who have a checking or savings account and do not use alternative financial services are considered *banked* or *fully banked*, which is assumed to be desirable as it suggests access to lower cost banking services (FDIC, 2017).

Financial practices. Today, racial differences in financial and banking behavior are significant; the 2017 FDIC National Survey of Unbanked and Underbanked Households found 6.5 percent of households to be unbanked, 18.7 percent to be underbanked, 68.4 percent to be fully banked, and the remaining 6.3 percent to have undetermined banking status (FDIC, 2017). Of the survey participants of each race who reported their banking status, approximately 16.9 percent were Black, 14.0 percent were Hispanic, and 3.0 percent were white. Additionally, approximately 30.4 percent of Black Americans were underbanked, compared to 28.9 percent for Hispanic Americans and 14.1 percent for white Americans. That is, Black Americans were more than twice as likely to use high expense AFS outside of their bank compared to their white counterparts

(FDIC, 2017). Finally, 45.8 percent of Black Americans were fully banked compared to 49.7 percent for Hispanics and 77.1 percent for white Americans. Lastly, 6.9 percent of Black Americans had unknown banking status compared to 7.4 percent and 5.7 percent for Hispanic and white Americans respectively (Table 6.1). The findings from the survey establish clear racial disparities in banking status.

Table 6.1 Race and Banking Status

	Banking Status			
	Unbanked	**Underbanked**	**Fully Banked**	**Status Unknown**
Race/Ethnicity				
Black	16.9	30.4	45.8	6.9
Hispanic	14.0	28.9	49.7	7.4
White	3.0	14.1	77.1	5.7

(2017 FDIC National Survey of Unbanked and Underbanked Households)

Impact of banking status. One's banking status is related to a number of financial and health outcomes. For example, savings may allow individuals or families to better negotiate unexpected emergency expenses such as job loss, home repairs, or illness. When assessing emergency savings and banking status, 17.4 percent of those who were unbanked were saving for emergencies, compared to 56.3 percent of those who were underbanked and 61.6 percent of those who were fully banked (FDIC, 2017). The relationship between savings and banking status suggests that those who are unbanked or underbanked are more susceptible to financial strain as a result of unexpected events. When assessing savings by race, independent from banking status, 45.7 percent of Black Americans reported saving for emergencies, compared to 48.2 percent and 62.4 percent for Hispanic and white Americans respectively (FDIC,2017). Intuitively, savings was also assessed by levels of yearly income, although separate from race and banking status.

As summarized in Table 6.2, of those making less than $15,000, 28.9 percent were saving; of those making $15,000 to $30,000, 41.0 percent; for those making $30,000 to $50,000, 54.7 percent; for those making $50,000 to $75,000, 63.7 percent; and 73.8 percent of those making at least $75,000 (FDIC, 2017). The emergent racial disparities again prompt questions regarding the causes of the racial differences in banking status and how that may influence savings behavior.

Table 6.2 Savings by level of family income

Family Income	Savings (Percent)
All	57.8
Less than $15,000	28.9
$15,000 to $30,000	41.0
$30,000 to $50,000	54.7
$50,000 to $75,000	63.7
At least $75,000	73.8

(FDIC National Survey of Unbanked and Underbanked Households, 2017)

In addition to influencing one's ability to financially navigate emergencies such as unexpected illness, banking status is also more directly related to health. Eisenberg-Guyot, Firth et. al, found fringe borrowing and unbanked status to be associated with worse self-rated health (Eisenberg-Guyot, Firth, Klawitter, Hajat, 2018). The study found fringe loan use to be associated with 38 percent higher prevalence of *poor* or *fair* health, and unbanked status to be associated with 17 percent higher prevalence of *poor* or *fair* health.

Explanations of unbanked status. The FDIC survey outlined several explanations for unbanked status. The most common explanations of unbanked status were as follows:

- 52.7 percent cited not having enough money to keep an account;
- 30.2 percent cited distrust of banks;
- 28.2 percent cited avoiding banks for privacy;

- 24.7 percent cited account fees being too high;
- 20.2 percent cited unpredictable account fees;
- 14.0 percent cited ID, credit, or former bank account problems;
- 14.9 percent cited other reasons.

However, participants were separately asked to choose which reason was the main reason they were unbanked; over one-third of respondents, 34.0 percent, cited not enough money to keep an account as the main reason for being unbanked, with distrust being reported second most often as the main reason for unbanked status at 12.6 percent (FDIC, 2017). The survey did not assess racial differences in reasons given for unbanked status or underbanked status. The current exploratory study aims to build theory which explains what factors influence unbanked and underbanked status and financial behavior patterns among Black Americans in West end of Louisville, Kentucky (WL). This study will contribute to a scare literature exploring the factors influencing the trends in banking status for Black Americans and how those factors may influence health outcomes.

Methods

Ethical approval. The University of Louisville Institutional Review Board reviewed and approved all study materials prior to data collection. The interviewer explained the study and obtained written consent from all participants.

Study sample and setting. The sample for this study includes 14 adults ranging in age from 24 to 47 years. Of the 14 participants, seven unbanked and seven underbanked participants were purposefully recruited. Each of the participants were interviewed in WL. WL is comprised of nine neighborhoods and spans 22 census tracts and five zip codes (Kentucky State Data Center [KSDC], 2014; United States [U.S.] Census Bureau, 2012a). Of the nearly 62,000 residents of WL, 42.7 percent have an income below the poverty level, this compared to 16.5 percent for all of Metro Louisville (United States [U.S.] Census Bureau, 2012a). Demographically, WL is 79.2 percent non-Hispanic Black, 17.1 percent non-Hispanic white, and less than 4 percent non-Hispanic “other” and Hispanic.

Sampling strategy and recruitment. The primary researcher began by recruiting a purposive sample of adults 18 and older living in WL. After conducting initial interviews, the principal investigator utilized theoretical sampling to further explore concepts uncovered by initial interview participants. Recruitment of participants worked through existing relationships with community centers, faith-based organizations, and other community resources such as neighborhood grocery stores, as well as participant referrals. Each participant met the primary researcher and answered screening questions prior to participation. The researcher reviewed and obtained consent prior to conducting audio recorded interviews. Interview participants received a $20 incentive for their participation.

Data collection. The primary researcher conducted all qualitative interviews, which lasted approximately 45 minutes each in June 2019. After each interview was completed, the recordings were professionally transcribed and returned to the primary researcher for validation and data analysis.

Data Analysis. The study was guided by a constructivist grounded theoretical approach (Charmaz, 2014). Grounded theory is an appropriate approach as it is a general methodology developed to discover the underlying social processes behind behaviors, and develop research-based knowledge about the behavioral patterns of groups or populations (Glaser, 1978). The principal investigator and an assistant researcher engaged in memoing to capture relevant observations, thoughts, and reactions throughout the data collection and analysis process. Memos taken during various stages of data collection and analysis were critical for identifying concepts and categories as well as for the ultimate development of theory (Strauss, 2006; Strauss and Corbin, 1998).

Next, the primary researcher and an associate developed codes to represent emerging initial concepts in the data. As open coding continued, researchers reused codes to label similar responses from new interviewees. This process also allowed researchers to organize codes and concepts from initial coding into macro categories. These categories were then saturated during the theoretical coding process. Saturation occurred when emergent core categories were developed with rich data such that incorporation of new data provided no novel insight (Charmaz, 2014). The research team frequently revisited and compared memos during the focused coding process and refined them during theoretical coding. During this process, researchers formed data into concepts rather than descriptions. Each of the two researchers analyzed the data independently and conducted an interrater reliability test using Dedoose™ with an interrater reliability score of .89. Following the interrater reliability assessment, differences in code application were discussed by the research team; consensus was gained once researchers discussed rationale for code applications and agreement was reached. Once consensus was reached, coding differences were resolved through the reapplication of codes based on the consensus reached by researchers.

Results

Sample characteristics. All of the participants lived in a WL neighborhood. Each of the participants were either unbanked (50%) or underbanked (50%). Participants ranged in age from 24 to 47 years (M= 34.57, SD = 6.48), identified as Black/African American (92.9%) or mixed race (7.1%), and were employed (100%). The reported gender identities of the participants were 57.1 percent male and 42.9 percent female (Table 6.3).

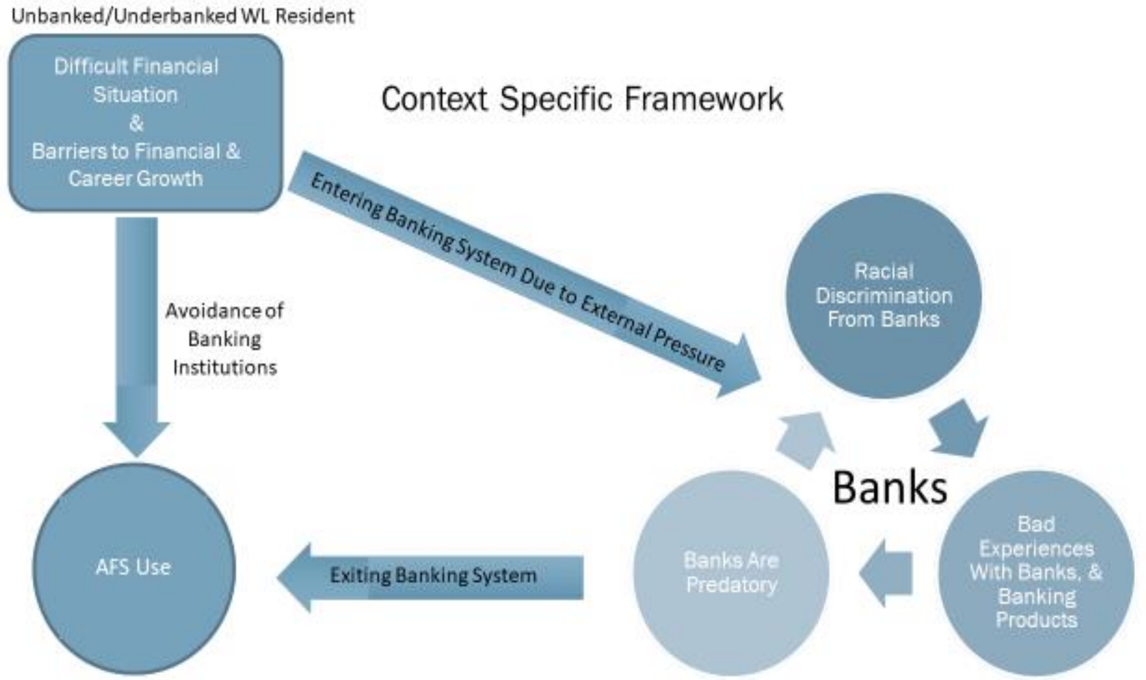
Table 6.3. Demographics of Interview Participants

Variable	**Mean (SD) or N (%)**
Age in years (24-47)	34.57 (6.48)
Gender Identity	
Male	8 (57.1%)
Female	6 (42.9%)
Racial Identity	
Black/African American	13 (92.9 %)
Mixed Race (Black & 1 or more other races)	1 (7.1 %)
Employment Status	
Employed	14 (100%)
Banking Status	
Underbanked	7 (50%)
Unbanked	7 (50%)

N = 14 Participants

Qualitative Findings. The complex and interrelated interview findings suggest an emergent theoretical pathway, illustrated in Figure 6.1 that explains banking and financial practices of Black WL residents.

Figure 6.1. Context specific framework of financial and banking behavior



The emergent pathway was one where unbanked and underbanked WL residents were under financial strain and experiencing barriers to improving those situations. Despite the financial issues, residents were often pressured externally for convenience, ease of commerce transactions, or by employers to open a bank account. When interacting with banks, residents experienced racism and unfair treatment which led to a negative, predatory view of banking institutions. These factors led some participants to exit the banking system in favor of AFS in some instances, some to use AFS and minimally use their bank account at times, and others to avoid the banking system altogether, again opting to use AFS. Each concept will be explored further below.

Barriers to financial/career success. Throughout their interviews, participants described the presence of impediments to their ability to improve their financial situations or careers. The barriers fell into three primary categories, one of which, a highly predatory financial environment, will be discussed in a subsequent section. The two additional categories, impacting both employment and transportation, were limitations imposed by the U.S. justice system and limitations resulting from a dearth of opportunities within the WL community. These circumstances ultimately created financial strain which influenced participants' ability to benefit from interaction with traditional banking institutions.

When referencing the cumulative impact of the justice system on himself and his peers, one participant explained:

> They just brainwash us and put it in our head that this is all you get. Once you reach a certain level, because of who you were, because you may have been addicted to drugs, maybe you got certain kind of felonies on your record, you done sold drugs. Maybe you got a violent crime on your record. Maybe you got caught for stealing or something or another. With all that baggage that you carrying with you, you lucky you getting this. A lot of us feel okay with that. We gave up the fight, and then especially when you get to a certain age. Man, who going to take a 50 or 52 year old man seriously; going back to school trying to get a degree or to try to open up your own business or get a certain kind of job at a law firm or anything like that?
>
> Who can take that serious? They done gave up. They done lost so much of their life in the past. Their future, they don't want to spend that chasing what they feel like maybe are false dreams to them. Something that's unattainable to them. They don't want to chase it no more. They get all right with the $12, $13 per hour job. It's paying the bills. I got a little car. I got a little house. I may struggle from time to time, but shit, that's the bed I made. That's the bed I got to lie in, so I got to deal with it and just settle with that.

The same participant described circumstances in which his past inhibited not only his future ability to obtain employment, but his ability to get to work.

> That became a big barrier for me to overcome. Even though after I served my time and paid my debt back to society, it's still being held against me. As far as when you get convicted of a felony in my home town, they take away your driver's license and stuff like that. All the jobs that may want to hire a person, a convicted felon, it'll be out of my range if I have to use public transportation. Then the jobs that I'm forced to work, that's available to me where I have

transportation to get to are the low-paying jobs. You know, the mediocre jobs where there ain't no room for advancement.

The penalties resultant of interaction with the criminal justice system stripped participants of years of their lives, made employment more difficult, and made the financial lives of impacted participants more difficult still, due to fines. Although not all of the participants discussed previous interaction with the criminal justice system, those who did echoed the sentiments of this participant. The same participant continued to illustrate challenges experienced by himself and other respondents stating:

> I made mistakes in my past. I don't feel like those mistakes should stop me from getting a driver's license. That part I just don't understand. If I go and I serve my time and I pay my debt that way, you know what I mean? If I'm having struggles, financial problems, struggles to pay the fines off, why would you limit me? You pretty much, you limiting me. If I ain't paying the fines. Well, it's obviously got to be a reason why I'm not paying the fines. I'm having financial struggles. If you allow me to get a driver’s license I can get the better jobs, that way I can pay my fines. They just put me in a box. They just put me in a box. It's hard to get out of that box. It's hard.

Another participant described situations wherein the U.S. criminal justice system creates toxic environments for Black Americans, waits for them to fail in said environment, and traps them in a loop of punitive recourse:

> Listen to me. People think this, "I ain't got to touch him, I'm going to let him fuck up first, then I'm going to put some shit in his way, see now I got his ass. He in the loop,” because naturally my mind is going to say, “Well shit, I can't vote, can't get my license, I can't get a job, I have to sell drugs.”

A separate participant echoed these sentiments more succinctly explaining, “I do believe they [the system] designed it for us [Black people] to fail.” Contributing to the lack of employment opportunities is the reality that for some participants, financial challenges may become employment challenges in a more direct way. This was uncovered when participants described instances where their financial mistakes were used as grounds for denying them employment:

> I was in a situation where I tried to get a job. Me trying to get this job, I understand the background check, but what does my financial dealings, or how I'm dealing with my finances got to do with you hiring me on the job? I had a job that went so far as they checked your bank account to see how you was doing. They checked your bank account! Then if you owe money or you were behind in a bill or something they wouldn't hire you. I don't get that.

> I don't know if you experienced or have anybody ever spoke on that before. I had a situation where the job checked that out and looked that deep into if I was behind in bills or have I ever been evicted from somewhere. What that got to do with me applying for a job?... That was a situation I had gotten into where it just limited me from getting a job. It was a job that I could have advanced on, could have used.

Participants also described geographic barriers that influenced their economic mobility. These barriers were the result of few or no employment opportunities within their community, and unfair wages offered by employers within their community coupled with transportation costs and barriers. This context compounded issues of transportation experienced by many of the participants. As a result, participants explained that the employers that were present in their area of town knew residents were limited in options and took advantage of this by offering lower wages that many residents would accept out of necessity or desperation. When describing the layout of his community and treatment by the rest of the city, a participant explained:

> I just feel like it's like cut to where we just have this. It's not really much to help anybody to get ahead, in this one little area, you know what I mean, because it's too much going on. It pushes people who want to get ahead to go outside of the area to do so. It's not even about building this area, or building this community. It's about keeping the people who don't want to do nothing stuck in this area and in this community, and forcing the people who want to do something to go out of this community to do it.

When asked explicitly about financial barriers, one participant stated, “Well, just the pay rate of the jobs in my neighborhood, that's it. The amount of jobs that are available. The rate that the jobs pay per hour in my neighborhood. That's it.” While another participant added, “I could be making more money. They pay you at a low rate because of the area that you live in.” This experience was reinforced by a participant who stated, “The area you live in, you don't get paid what you should get paid. I shouldn't have to go all the way across town to get paid $20 an hour, hypothetically speaking.”

For those who had obtained employment outside of their neighborhood, the lack of reliable transportation caused them to lose employment in more than one instance. An example of this occurred when a participant who was already facing financial difficulties had the moped he was using to commute to work stolen. As a result, he and his wife had to share one moped to get to their jobs since public transportation did not have stops at their places of employment. This was ultimately untenable, and led to him losing one of his jobs because it was simply too far away for him to arrive on time, further worsening his family’s financial situation. He explained:

> If I had my own transportation instead of us working off of a moped, one moped, trying to get to my job, her job, and all that, because that kind of hurt us. Because I had two jobs. Then I had not only [redacted employer], I had [redacted employer], which I lost that job because I can't travel all the way to Poplar Level by 7:00, and she be at her job by 7:30. So it kind of put me in a bind. Transportation really plays a part in it because there's no buses that run on Poplar Level, straight to where my job is. They only run on Preston. So I had to catch the Preston bus and be trying to run to work, all the way on Poplar Level.

The findings of this section provide insight into the factors that decrease income and employment opportunities, and ultimately financial stability. For many participants, these challenges led to stressful financial circumstances.

Difficult or stressful financial circumstances. Of all of the interviewed participants, none had positive descriptions of their financial situations. In each instance, their financial situations were made more difficult by the previously discussed barriers they were facing when attempting to improve their situations. When asked about his financial situation, one participant stated:

> First of all, I'm a minority. I'm not even, wouldn't say middle class. Just poor. Just poor. If you struggling to live from check to check ... I'm going to give it to you right. I'm working at a job. I'm making $11 an hour. After the taxes come out, now I got child support. There's stuff coming out my check. By the time my check gets to me I'm barely making $300 a week. That's about it. I can't miss an hour. If I'm depending on that $300 a week, and if I miss an hour or half a day or something like that, it just throws a whole monkey wrench in everything.
>
> That sets me behind completely. My class, I'm poor. I'm poor. I can't afford to take a day off if I'm tired or sick. I can't afford to do certain things. If I wanted to take a trip and go somewhere with my family or do something out of the ordinary for my kids or for my lady this summer, look how much time I'm going to have to save…It's hard. I'm poor. I'm poor.

Another participant described the financial balancing act he was enduring when he explained:

> It's bills I got. The water bill is sky-high. Electric is sky-high. And then my rent, my rent is the only thing that's fair right now because I just finally got Section 8. And then, with that situation, it's hard to meet the payment criteria because with that being said, I have, not only those bills, but I have financial, legal bills which I'm trying to get squared away, too. So it's kind of tough to, you know, stay above water and make sure this bill is paid, because once I pay this bill, I'm turning around and trying to figure out how to scrounge up to pay this bill. Like right now, her father, my wife's step-father just died. So we had to figure out how to scrounge up money to get him a proper burial. So that cut into the finances, too.

Other descriptions of financial situations included; "I'm struggling," "Oh, it's really tight. It's really tight. Almost to the point where it's going from check to check," "I'm the only one working in a household of three. So it's hard. But I'm getting through," and "It's kind of tight. Because it's only me, but my money is divided on me, my two children, and then my bills." Already financial strained and facing obstacles to improvement, it was rapidly apparent that participants viewed banks as another obstacle rather than a resource.

Race negatively influencing banking interaction. Many substantial trends emerged from the interviews. Among those was the ubiquity of participants who explained that being a Black American negatively impacted their treatment they received from banks, the level and extent to which banking products and services were explained to them, and general banking interaction. The interviewer probed and explored this topic in depth to understand the extent to which these sentiments were the results of experiences, observations, or perceived differences in treatment. The findings suggest that experiences and observations informed perceptions.

Participants described scenarios where they were treated as a threat when they entered banking institutions. This was captured in the response of a participant who explained:

> I feel like you're being judged because I've been in banks downtown where when you walk in they just start staring at you all the time and wondering what are you doing? Wondering are you banking there? Are you robbing there? Like what are you up to?

This particular experience was shared by many participants. Another participant stated, "I get the feeling they're just like, 'Okay. This guy ain't got no money. What does he want? Is he coming in here to rob me?' Some weird feeling like that." The experience of being viewed as a potential threat rather than a patron was prevalent. One participant went so far as to explain what may motivate such harmful treatment as they expressed:

> If they asked me do I need any help, it's just to try to gauge whether I'm here to rob them. What is your purpose here? It's not to really help me. When I walk in that bank, they don't see the dollar sign on me. They see a question mark on me. What am I really here for? What is this nigga about to do? When that white boy

> walk in there…They pretty much know he got some money. They see the dollar sign on him. They got the question mark on me.

Another participant described an environment in which white bank employees were threatened by her appearance. She went on to describe the features about herself that caused bankers, and white Americans in general to treat her differently:

> I am a woman, that is fully black, no mixture even seen. My eyebrows are natural. My hair is natural. And, I feel like they're intimidated. So, our initial interaction is, you know, I'm somebody they feel like they have to protect themselves against. I don't know why.

This common perception prompted questions as to what made participants feel this way. For some of them, it was the cumulative impact of multiple micro-aggressions manifesting in a feeling of toxicity and being unwelcome when one entered a banking establishment. One participant explained it this way:

> Because it's like, I don't know. I kind of feel out of place. You kind of feel that aura, you know what I mean, kind of feel that aura of like, let me go ahead and address this customer because I'm not really sure why he's here. I feel like they get rid of me faster because they don't know why I'm here, you know what I mean? But, anybody else, they just lay back, kind of doing their job. But, they see a Black guy walking in here, and it's like, "Oh, can I help you?" you know what I'm saying? They're trying to figure out what I'm doing here, so that you can go ahead and get that out of the way, and get me up out.

Micro-aggressions and generally being viewed or treated as a threat were not the only ways in which participants noticed a negative role of race in their banking experiences. Many participants also noted they were offered fewer opportunities due to their race, and they were aware of instances in which they were offered more expensive banking products, assertions which have been documented many times in the literature (Bayer, Ferreira & Ross, 2017; Hanson, Hawley, Martin, & Liu, 2016; Oliver, Shapiro, 2006; Ladd, 1998). When discussing products or banking resources that customers may typically utilize, one participant explained why this was not an option. When discussing the potential of getting a loan he explained:

> They ain't going to do it. Not for us. I'm keeping it real, I'm telling you how I feel. Not for us. Change this skin color and look and you got some blessings or something coming your way, but for us? Your ass is out the door.

As was the case with many participants, the participant went on to describe that banks often determined how they would treat him as soon as he walked in the door based on his skin color, prior to knowing anything else about him. He said, “I can go in there, I could be a millionaire, and she'll never know, because I'm a Black man going in there, dressed a certain way, going in the bank. They already done boxed us in.” This also influenced participants’ perception of how banks might work with Black customers to improve their finances such that they may be able to have more banking opportunities in the future. As described by one participant:

> Let's say you're white, they're going to offer you some shit. See look, let me tell you something, when you walk in the god damn door they already look at you and know what they're asking and what paper to pull out. See, white men are going to get a little bit thicker packet because they're going to offer him more shit. He could be poorer than me, and they don't know it, but off the rip they're going to offer him more shit, and it's going to seem to him he's getting more, but it's all about, the primary purpose is the money. They're going to offer him more shit, when they see me they go straight through it, get to the business. Him, “Look, you know in five years we could do this with your mortgage.” She's not even going to ask me them questions because she's going to think I ain't got it. That's what they do.

In this example, the participant described a scenario where banks engage with him differently based on his race, and also provide less assistance with regard to preparing him for financial opportunities through the bank in the future. Experiences such as these were common across the interviewees. Another participant affirmed, “Yeah, they don't offer me different shit. I've seen it, yeah, I've seen it.” Still another participant drew a clear relationship between race, the WL community, and banking opportunity. Although acknowledging that she was not aware of empirical evidence to support her claim, she concluded:

> Of course, I would never know if it's correct or not. I feel like, yes, they're giving Caucasians more options, especially if you in a different location. Like down here, in the West End, I feel like they're leaving a whole lot of options off the table that could possibly be available, that could benefit our community. Yes, I do feel that way.

Experiences such as these led to distrust among participants as they felt as though they were not provided access to the benefits of banking institutions that their white counterparts may experience. According to one participant:

> Yeah, and it makes me feel like maybe that person over there that was a different skin color than me got better opportunities with this bank than I could have got. Maybe I could have qualified for something that you all had, but you didn't want to give it to me, or you didn't even tell me that I qualified for it. I didn't even know that it exists. Do you see what I mean?

In those instances where banks did offer products, participants described the predatory nature of the products and in some cases, a history of banking institutions taking advantage of Black Americans. In fact, one participant noted differences in product offerings to customers of banks in his neighborhood versus customers elsewhere:

> Well, I know banks are not fair like, let's say, our neighborhood or whatever. They may be offering higher interest loans to people who could actually get loans. They're going to be at a higher interest. And they just have all kind of different type of scams that they're running on Black people.

The negative experiences with banks related to race correlated with a general feeling that banks had positioned themselves as adversaries. This overall feeling was captured by a participant who simply stated, “They just don't want to see you get ahead. They don't want to see you do better, because they just don't like you.” This general sentiment was reinforced multiple times by participants describing bad or unfair treatment by banks when they did have bank accounts.

Bad or unfair experiences with banks. For many participants, the necessity of having a banking institution in the U.S. was enough to outweigh the racism they experienced when engaging with banks, initially. As the study participants were all employed, many of them had employers who requested they have a bank for direct deposit, or they simply needed a bank account to make financial transactions in their lives more efficient. However, for those participants, instances of poor and unfair treatment were abundant. Participants reported being poorly informed on how their accounts worked, being poorly informed with regard to account fees, money missing from their accounts, and not having their money returned to them in instances of fraudulent activity. When discussing the extent to which her account was explained to her, one participant stated:

> I felt like I had read it to an extent. I did not get the direct deposit, so I don't know what a maintenance fee is for. You know, I don't know, I don't have the terminology, the education from a banker, because I'm a regular person.

The lack of product education to participants from bankers was a common experience described by participants, one frustrated participant advised, “The bank isn't going to provide the education I need. They're going to give me a lot of forms with a lot of words I'm going to have to Google or research.” The lack of clarity and explanation with regard to account functions was expressed by an additional participant when asked if and how her account was confusing to her. She said:

> Yes. Because you think, I have an extra four or five hundred dollars. Oh, they didn't take this, or they didn't take that. Next thing you know you've spent it. Because sometimes the bank don't take it right out, if you use your card and write a check or something like that. They wait, they'll hold it and then they'll take it

> out. But then you got something else coming out and then you got so much coming out because you done used your card or used a check, and then there goes your account.

This experience was consistent among participants, one of whom stated “I don't like using my card, because the funds be in there at the time of me paying for things, but it don't come out of my account right away.” The consequences of the confusion surrounding account functioning often added to already stressful financial circumstances. This level of confusion was also credited with causing some participants to leave banks altogether. One participant explained:

> So many people going through your account and some people take their money right then and there, and some people don't. Then you’ve spent the money, the money's gone. You got to figure out a way to get that money back to make it up, and on top of everything else. So no, I'd just rather do it myself.

For the participants, not understanding how their bank accounts functioned was not simply inconvenient, it was punitive. In some circumstances, the way that transactions posted to accounts caused expensive overdrafts. In others, fees of which participants were not aware caused overdrafts which ultimately led to more fees. An example of this occurred with a participant who had their account overdrawn by $.60 due to confusion with how the account worked. The bank’s fee triggered the overdraft, which resulted in the bank charging an additional $30 fee. Many participants were both emotionally hurt and confused by these outcomes. They felt intentionally misled in ways that allowed banks to profit from the destruction of their finances. As described by one participant:

> In a way, I don't know why, but it feels like it's always these certain hidden fees. And, I'm going to just put it out there. I was being charged $24.99 for a maintenance fee that I didn't know was there. And because my finances are how I explained them to you (tight, paycheck to paycheck) if $24.99 comes out, and I

> don't know it comes out, then something else for $13.99 comes out, and I don't know, then my account goes into the negative.

The same participant described yet another instance where an account maintenance fee, of which they were not aware, became a financially devastating issue from which it was very difficult to recover. He said:

> So, you know, if I go and get gas, I get $10 because I thought I had $25 in there, and then I swipe for my $10 and I'm in the negative because I didn't know the $24.99 maintenance fee was there. So, I didn't know. And then, once it goes into the negative within five to seven days, you add another nsf (nonsufficient funds) fee. So, that's $35 plus $35, plus the $24.99 I didn't have.

These experiences led to participants being educated on the functionality of their accounts not from their bank or banker, but from being charged expensive fees that were highly damaging to an already stressful financial situation. One participant wondered why banks did not explain their accounts to them rather than charging harmful fees. This ultimately led to a view of banks as institutions that trap potential customers:

> I think it's like, banking is a trap most times, because if they said, "We'll cover you if you get a negative balance. But, we'll also add on more to that balance." You know, I would say just don't do that. Why don't you just educate me? That's how I feel, like, don't cover it. If I don't have it, just don't.

This experience and others like them led to adaptations in financial and banking behaviors.

> But once I realized, I'm like, "Hey, why am I into the negative this much?" And then I call them and they did explain to me, "Well, this is the reason. This is why." Once they did tell me, I'm like, "Okay. I know how to work it now." I'm just not going to use my card, because if it's saying that it's taking the money, but it ain't taking the money right away, I don't want to have to worry about that. I'd just rather pay the people with cash, buy what I'm going to buy with the cash, and use my card as I need it. Every once in a while I would use it, like if I was getting a hotel room and I have the exact amount on there.

For many participants, not only did it lead to adaptations of banking behavior, it led to exiting the banking system altogether:

> Like I just mentioned, overdraft fees, things like that. That's the main one. That's really the only thing, overdrafting account, having to pay additional $20 or $5 a day or whatever they charge. I was like, I'm not doing that.

Experiences with poorly explained accounts and fees were not the only bad experiences. Many participants also reported instances of fraudulent account activity that was ultimately not rectified by their banking institution. When describing such experiences, one participant said, "I had an experience with [redacted bank] before, and they didn't give me my money back." Similarly, another participant said, "Pretty much like, [redacted bank], that's where I got my stuff taken out of. They didn't try to investigate, they didn't try to do nothing." This was echoed by a participant stating, "When I had [redacted bank] there was always little amounts of money coming up missing here and there and I couldn't account for it, and I know I'm not stupid." Learning of multiple instances of such occurrences prompted questioning into the details of the incidents themselves and how they were handled. When discussing the process, one participant explained:

> Well I called the bank and they said you have to put in a ... dispute, and that takes up to 30 days. And they just never did anything. They never gave my money back. It happened again and I disputed it and I got that back. But the first time they didn't do anything about it. I didn't get it back and they didn't say anything. So it was just basically, they took it.

This was not the only instance where a participant discussed being left to cover fraudulent activity on their account.

> I had someone actually access my information before, and that's how I got my account shut down. I don't know this person or anything, so that to me is just mind-boggling how somebody can actually, if they don't work there, how do they get that much information just to be able to access my account that freely. Overdrew my account 1,500 bucks and now I'm still responsible for the balance.

Participants consistently reported poor outcomes as it related to account fraud and the dispute process.

> There's some activity that had been going on in my account. $500 was in my account. Me, thought it was my taxes, and it wasn't. I got these letters in the mail. Somebody put some money in my account, forged my name and everything. I put a dispute on it through [redacted bank]. Kept telling them, kept telling them. They still haven't fixed that yet. Where's my money?

One participant experienced a situation where the bank provided access to their account to a debtor who should not have been authorized to access their account. In this situation, the bank ultimately resolved their error, but the event fractured the participant's trust of the banking institution, ultimately leading to a termination of the banking relationship.

> Well I had some money in a bank one time, it was a couple thousand bucks, and this, I guess some kind of financial institution I guess or whatever, I guess I owed them. But I had paid them back and they said that I owed them some money and they ended up taking it out of my account and my bank allowed them to do so. So that kind of deterred me right there. I ended up getting the money back, but this is four or five months later, when I really was saving this money. I was counting on the money that I had in savings in order to get a car, get something for my kids…But that deterred me right there, like well shit, they took my money. If I would have kept my money I would still had it but I put in in a bank account so therefore I gave someone else control over it. That kind of deterred... That's what happened to me and that ran me away from the bank.

A combination of racist treatment and negative banking experiences led to the view of banks as a predatory component of an already financially opportunistic environment for Black residents of WL.

Banks are viewed as a component of a highly predatory environment. Each of the 14 participants described their financial circumstances in negative ways. As previously discussed, they also described barriers to improving their financial situations and to securing adequate employment. Further compounding the difficulty of their financial situations was the finding that their communities were rife with opportunistic businesses that capitalized on the lack of business competition and financial resources within their community. As was the case with employment, where employers in the WL community capitalized on the financial need of potential employees and paid them less, businesses in the WL community were reported to charge more because of the dearth of businesses in the community, and the knowledge that many residents lack transportation and the subsequent ability to leave their community to seek fair prices. There were also challenges to maintaining transportation, such as higher insurance prices due to neighborhood. Together, these factors created a formidable financial obstacle. One participant described it this way:

> I think there are some traps in the community, just like as far as unequal pricing in different stores. A lot of times, where you have just the options where you might have to use a neighborhood store, which the prices are higher. Different things like auto insurance. Just because you live in the West End, your auto insurance will automatically be higher. It's certain things like that where this community environment can drag your finances down, because you're having to pay a higher rate on goods and different things like that. That could possibly drag you down if you're not really managing and watching your spending.

Another participant made a more direct connection to the prices in WL compared to other areas of town explaining, "Something you can go get for $20 in Newburg (South Central Louisville) at the store, and you paying damn near $35 for it here." Another person compared WL pricing to their observations of pricing on the East side of town:

> Business is poor really. Just higher ... How do I say it? Shit's higher, higher than I've been seeing. You go out East or go, just farther that way, well East and stuff's cheaper. Compared to, you come to the West End, it's not as cheap as I've be seeing and not as many sales. So I'd say that'll hurt me financially, because one, I have to go all the way out there to get it for cheaper. And if I say, no, don't go and stay down here it costs me more so that hurts because it takes more money from me.

Participants also recognized this pattern with pricing on gas and other commodities. One participant described how they felt it impacted their community:

> You go somewhere else, gas is cheap, you know what I mean? But, you come down here, I looked at it, they killing us, you know what I mean? They killing us. They just want every single dollar. They want to drain it. I just feel like they want to drain this community of every cent, you know what I mean?

Furthermore, not only is there a shortage of larger commercial stores and grocers in WL, the ones that are there often close early due to the perceived danger of the WL community and the threat associated with keeping later hours. This was documented overwhelmingly by participants.

> This Kroger close at nine o' clock. If I'm working a job and I get off at eight o' clock, 8:30 and I catch the bus to get home, and by the time I get home, get off the bus and get home, and I may need to get something for dinner or something like that. The Kroger is closed. They got better pricing. Now, what am I going to do for getting me something to eat or getting some toilet paper or something I may need after I got off of work and you close at nine o' clock? Where I can go in here and go into Kroger's and maybe get a four pack roll of toilet paper for just say $2.00. I don't know the exact prices. Just say $2.00. Now that avenue is closed. Now I'm forced to go to this corner store where I get the four pack of toilet paper and you're going to charge me $4.00. They taking advantage of it. Now I'm not putting the blame on it. It's smart for what they doing, but they're taking advantage of it.

When discussing the opportunistic business practices, the subject of race re-emerged in multiple ways. For example, participants outlined instances of being forced to go outside their community, to areas less populated by Black Americans, where they experienced higher rates of profiling and stereotyping to get fair pricing. However, the treatment in those areas was worse which created a dilemma with regard to how to proceed.

> African-Americans are not going to, well, they really don't care to go all the way out East because we call it the white-people-ville. So really we don't want to go out there. And then they're like, "Frick it, we're going to stay down here…" But I guess since they know that we're not going to go anywhere, they'll just raise their price. They know we're going to have to get it from somewhere and if this is convenient, we're going to go back there, so they're just going to make the price higher, and we're going to buy it anyway.

In this instance, participants cited a lack of Black-owned businesses in WL which is predominantly occupied by Black residents (79.2%). Many participants described situations where people of other races or ethnic origins entered Black neighborhoods and took advantage of the residents through unfair pricing:

> I feel like those foreign people that got all these little corner stores they take advantage of the situation knowing that a lot of people in these situations, in these areas, don't have transportation.

Another echoed this:

> No, because I feel that there's not that many Black-owned businesses down here. There's more convenience stores, there's more foreign-owned business like Indian or just different businesses like that. And they are outrageous on their prices.

What is more, due to their previously discussed experiences with money missing from accounts, excess fees, poorly explained accounts, and discriminatory treatment, banks in the WL community are simply viewed as another predatory, opportunistic institution. This perception of banks generally emerged from the idea that given their financial position, participants had access to all of the harm that banks cause and little or no access to the benefits. “I don't feel like they're really needed (banks). They're not helping. I mean, my money isn't growing.” Another participant discussed how he lost trust for banks because they consistently made his financial situation worse:

> I don't feel very trusting of banks because the history behind it, you know what I mean, or just the history caught up in being ... I just don't want to get caught up in them making something accessible for me to where it ends up putting me in a worse predicament.

Another participant explained that in his experience where it related to the purpose of banking institutions, “Their purpose really is to steal money.” Reports of the one-sided nature of banking relationships for participants were profound. Participants acknowledged that they knew banks were in business to make money, not to help them.

> I don't trust banks at all. Because I know their job is really to make money off of my money, which they really do. If you have a savings account or whatever, they're drawing so much more interest on that money versus what they're actually paying out. So, it's just a scam on their level where they could actually pay people more interest on their funds, but they're greedy. And I just feel like they're just greedy.

In order for banking relationships to be worthwhile, there needed to be some benefit to them for providing the banks with this profit. Overwhelmingly, this benefit was not present. Instead, participants were helping banks, and banks were not reciprocating.

> I don't think we have faith in the bank. If I use this bank, and go to this bank and put my money in this bank and get them to hold my money, and if I go to them for help or anything like that, it wouldn't be returned. Why would I take my money and put it in this bank? They are gaining money off the money I'm putting in there, right?

Description of the lack of benefits of engaging with banks were quite prevalent:

> Well, what are the benefits of me dealing with a bank anyway? Other than somebody watching over my money or just holding my money like a piggy bank. If I don't have no real money to put in CDs, buy CDs, or get the bank to help me make some financial decisions, as far as investments and all that; Other than that, if I'm not in that status and don't have that kind of money to do things like that they just a piggy bank. It's a big piggy bank for a grown person.

Another participant went into more detail describing how banks have no benefit for those who are in his socioeconomic class:

> I don't feel like a person, an individual like me, I don't think they'd help me. If I was to go to a bank and ask for a loan, I think I have to go above and beyond somebody that already has money and looking to borrow some money. They'd be more apt to give it to them. An individual like me that really needs it, they're in a situation where I may need it to put a down payment on a house or a car in order for me to get a better job, I don't think they'll think twice about giving me a loan or anything. If I go in there and ask, this is going to be denied off the top.
>
> That's how I feel. I don't think they want you in a certain class. I don't think they willing to help you. Like I said, you got to go the extra measures for them to see or even have some kind of trust or faith in you, for them to even loan you or help you out in that situation. If I'm broke and I got $25 in my bank account, but you see that I'll put some money in, I'll withdraw money to pay bills or whatever, and you see that I'm trying to do something, it wouldn't even matter to them because

> of my financial status. I don't care what I do. I don't think they'd ever give me a loan unless I get to that upper class.

Many participants also provided explanations for why they used AFS which they knew were harmful, instead of using banks. In nearly every case, it came down to participants being harmed by banks in many ways, and subsequently not trusting them enough to give them their money for an account.

> I work at a warehouse and I'm sweating and I'm picking up heavy stuff and I work hard for my money. And to give it to somebody else, I have to trust you. That's like basically giving it to you, I have to trust you before I do that, so.

In fact, participants were willing to endure the avaricious practices of payday lenders, pawn shops and other AFS simply to avoid the racial discrimination and financial harm of banks. When acknowledging the negative impact of AFS use, one participant explained:

> Yeah, I can see where it's starting to impact finances when cashing checks. Like the bank would cash it for free if I had an account versus I'm paying five, six bucks to cash it at whatever store I go to. That'd be money I could be saving, I'd be putting it in the bank account. But I'm giving it away to Western Union's and cashing checks and getting payday loans, I mean getting the pawn loans and stuff like that. Really I'm giving away more money than I could actually save but that's the price I'm willing to pay in order not to deal with the bank.

Data analysis revealed the emergence of five major categories which formed a context specific framework. The categories were: 1) Residents experience complex barriers to financial/career growth; 2) Residents face difficult or stressful financial circumstances; 3) Residents' race negatively influences banking interactions; 4) Residents report bad or unfair experiences with banks; and 5) Residents view banks as a significant component of a highly predatory financial environment. The implications of these findings will be discussed further below.

Discussion

The purpose of this study was to better understand and describe the factors that influence the Black community's banking and financial practices through qualitative inquiry. More specifically, it sought to assess what factors contribute to unbanked and underbanked status. The results detail the influence of racism, unfair treatment, and predatory practices on banking status and behavior. This study contributes to the exploration of individuals' experiences within their communities and with banking institutions, and to the examination of the importance of factors which influence banking activity. The major findings of this study indicate that banks exist as one of many predatory, structurally violent institutions that disproportionately harm Black Americans, particularly those with lower incomes. In addition to the major themes that emerged, it is equally important to acknowledge two factors of interest that did not emerge, as well as to establish a baseline understanding of banking institutions.

Access to banks. As a result of decades of systemic racism in policy and practice, WL remains highly segregated, has fewer businesses relative to Louisville Metro, has few employment opportunities relative to Louisville Metro, and the percentage of residents with an income below the poverty level (42.7%) is 2.5 times that in Louisville Metro. As a result, I hypothesized that the lack of businesses in WL would be reflected in the amount of banks in WL, and subsequently in the access to banks for WL residents. However, the results of the interviews revealed that access to banks is not an issue. In fact, many participants communicated that there are enough banks in their community, and that the banks are within a reasonable distance from where they live.

Additionally, based on results from the FDIC survey, I speculated that participants may describe simply not having enough money to have a bank account. Surprisingly, although all of the participants described challenging financial situations, descriptions of lacking enough money to hold an account were remarkably scarce. Instead, participants consistently communicated that it was not geographic or financial access to banking institutions that was insufficient, but an inability to access the benefits of banking due to a number of factors which will be discussed. To fully appreciate these factors, it is important to understand how and why banks operate.

Understanding banks. Banks are businesses. That is, banks exist to make a profit for owners and shareholders. For many people, banks provide access to homeownership, vehicle ownership, personal loans, and various accounts such as certificates of deposit, savings accounts, or checking accounts. Yet, it is important to remember that these services exist to deliver a profit to banking institutions. For example, customer deposits in a savings account may provide banks with additional capital to make loans on which they charge interest and make a profit. Simply put, banks are not charitable organizations. This is a critical point to remember when assessing the results of this study. The question becomes, how do banks make certain that they will still make a profit if a customer cannot be approved for a loan? Or, if a customer does not maintain an account balance of great enough volume to be beneficial to the bank? In many instances, banks achieve this through various account fees. For the purpose of this study, we will focus on overdraft fees.

Overdraft fees. An overdraft occurs when an amount of money drawn from a bank account exceeds the amount of money the account holds. For many banks, an overdraft charge is triggered when an account is overdrawn but the bank pays the fee for the customer anyway (Smith, 2018). Overdraft fees can be triggered by debit card point-of-sale (POS) transactions, Automated Teller Machine (ATM) withdrawals, electronic bill payments, and paper checks (Smith, 2018). Some institutions forgo overdraft fees on POS transactions or ATM withdrawals, instead declining the transaction at no cost when an account lacks sufficient funds; many banks instead cover the charge and assess the fee (Smith, 2018). Bank overdraft fees average $35 per individual transaction regardless of the amount of the overdraft itself; further, as Borne & Smith (2016) explain:

> In addition to the high fee, the institution then is also repaid for the overdrafted amount immediately when a customer makes his or her next deposit, in effect "jumping the line" ahead of any other planned transactions the consumer has. If time lags before the account is replenished, the institution may charge additional "sustained" overdraft fees, and a bank is also able to charge for multiple overdrafts before the account is replenished. (pg. 1)

The same research also suggests that overdraft fees are disproportionately levied on a relatively small amount of low-income account holders, and that the presence of these accounts inhibits banks from offering lower-cost accounts to marginalized populations, often pushing them out of the banking system altogether (Borne, Smith & Anderson, 2016). The present study's findings support this. The FDIC, which tracks overdraft income for banks with larger than $1 billion in assets found that banks collected $11.45 billion dollars in overdraft fees in 2017 (Smith, 2018). This is a staggering amount that still does not represent the total cost of these fees to consumers and families, as banks with smaller assets are not required to report. This understanding of overdraft fee practices is integral to understanding the findings of the current study.

One major finding of this study was general financial strain on the participants and barriers to improving financial circumstances. Financial strain was often the result of low wages, poor employment outlook and satisfaction, and unstable transportation. The presence of a number of structural barriers that may be traced back to a history of disparate enforcement of government policies, and bias in the policies themselves compounded the financial strain. For example, participants cited employment discrimination due to their background, fees and fines associated with the legal system, and even transportation obstacles as a result of involvement with the justice system, such as losing one's license. This is particularly troubling since according to the Equal Justice Initiative, Black Americans make up about 13 percent of the nation's population, but constitute 27 percent of all arrests, 33 percent of those incarcerated in jails and prisons, and 42 percent of the population on death row, while being 2.5 times more likely to be arrested compared to white Americans (Stevenson, 2019). Further, many participants explained that their wages were unfair, and that the employers in their community often took advantage of their lack of resources such as transportation, which diminished their ability to leave their community to earn more money. Participants also discussed that businesses in their community were scarce relative to other areas of town, indicating that factors such as stigma, fear, and racism are impacting the economic environment in WL today as it did during redlining in the early 1900s.

Compounding all of these factors still, when spending their money, participants experienced more inequity. Participants uniformly reported having access to fewer stores at which to buy food, clothing, toiletries, and other necessities. With the shopping options they did have, there was a common experience of being charged more for goods and products than in other areas of town. With regard to such experiences, participants reported feeling trapped and cheated within their community and that they lacked the resources to do something about it. This suggests that the economic destruction resultant of racial segregation persists in WL today.

Prior to this, many studies have illustrated the dramatic racial discrepancies where it relates to lending approval and interest rates (Ladd, 1998; Oliver & Shapiro, 2006; Hanson, Hawley, Martin, & Liu, 2016). However, the results of this study illustrate that the impact of race on banking transactions extends far beyond loan denial and sub-prime interest rates. Reports of negative treatment by banks, poorly or unexplained operation and policies regarding banking products, and general racial tension between banking institutions and Black customers suggests that racial bias influences nearly every level of the banking process, and begins as soon as a potential customer enters the door of a banking establishment. These findings support research which analyzed FDIC Call Report data as well as data from the Consumer Complaint Database maintained by the Consumer Financial Protection Bureau (CFPB), finding complaints related to bank practices which create difficulty regarding consumers' ability to know balance availability, transaction timing, or whether or not overdraft transactions would be paid or declined (Anderson, Borne, Smith, 2016).

The existing literature suggests that account holders incurring large numbers of overdraft fees are more often low-income, single, non-white, and renters (James & Smith, 2006). The findings of this study confirm those findings. Disturbingly, participants in our study often reported being treated as a threat when they entered banking establishments; they discussed being viewed as a robber or someone who was there to cause harm to the banking establishment. However, the results of this study suggest ironically that banks are a threat to low-income Black Americans; this a finding that is evidenced in additional research such as a 2017 cluster analysis of customers charged high volumes of overdraft fees, the study determined that around 80 percent of overdraft and non-sufficient funds fees are collected from eight percent of account holders (Smith, 2018). Less evident in the literature is the impact of these factors on reports of fraud and theft from the accounts of study participants. This finding was quite common in our study and should prompt additional research given the predatory nature of banks when working with low income customers.

Limitations

This study was successful in illuminating the experiences of Black WL residents who meet the definitions of unbanked or underbanked. The narratives from this study confirm findings from studies on banking fees, adding racial and social context to resources such as the FDIC survey. However, it is important to acknowledge several limitations of the study. This study utilized purposive sampling to identify and interview Black unbanked and underbanked residents of West Louisville, Kentucky. As such, the results of this study are not intended to be broadly generalized, although the context specific framework may be relevant in communities with similar community dynamics. However, the findings of this study provide substantial insight into the experiences of low-income Black Americans in West Louisville. Additionally, there are many factors that contribute to the lived experiences of participants in this study; as a result, there may be other factors influencing participant narratives which were not explicitly addressed.

Implications

Implications. Black communities across the U.S. face challenges that can be linked to our country's history of systemic racism. The current study suggests that the cumulative impact of racial discrimination on financial behaviors for low-income Black Americans is predatory and inequitable at nearly every level. Participants reported low wages, barriers to employment, high priced goods, and decreased shopping options. Related to banking institutions, participants experienced racial discrimination immediately upon entering banking institutions and at every step thereafter.

Many studies present AFS or fringe banking as harmful alternatives to banking with federally-insured banking institutions. This is reinforced when such language as "banked," "underbanked," and "unbanked" are used throughout the literature. However, one may consider that using the aforementioned language both directly and indirectly positions traditional banking as normal, preferred, recommended, and even more financially intelligent in some instances. However, this process may in fact perpetuate inequity. By problematizing one's banking status, or even setting about the task of fully banking unbanked or underbanked individuals, as many programs and initiatives do, one may be exposing individuals to additional financial harm. In fact, the results of this study suggest that for some populations, low-income Black Americans for example, traditional banks are simply another predatory institution on a long list of exploitative institutions that financially destabilize their households. As a result, language, programs, and approaches must be reformed such that banking institutions recognize and change their harmful practices before arriving at conclusions which shame or belittle those without bank accounts when, in context, their unbanked status is a prudent financial decision.

It is important that we also acknowledge the extent to which banks have been embedded in the United States economy, and have increasingly become a necessity to complete some financial transactions. It is at minimum unacceptable that predation may force out already marginalized populations. Until policy change addresses the inequity of treatment of marginalized populations, banks must be viewed as a part of a larger structural problem, not a solution, in public health.

CHAPTER 7

DISCUSSION AND IMPLICATIONS FOR PUBLIC HEALTH POLICY AND PRACTICE

The purpose of this study was to examine how the United States' history of racism in housing and economic policy influences today's practices by banking institutions, historically marginalized communities' banking behavior, general financial practices, alternative banking methods, and health outcomes. Initially, the study sought to explore the impact of community banks per census tract on homicide, heart disease, and cancer rates; however, there were too few community banks in the desired area, West Louisville, Kentucky (WL), to power the study. The differences in locations of community banks versus larger commercial banking institutions and the subsequent implications are an area for further research. Consequently, the current study explored the relationship between the density of all traditional banking institutions and the rates of homicide, cancer, and heart disease across Jefferson County, Kentucky – an exploratory pursuit to detect how racial discrimination from historical policies such as redlining influence modern day bank locations, and the relationship between those locations and health outcomes.

Further, the study sought to assess what factors influence Black WL residents' banking and financial behavior, and what alternatives to traditional banking are utilized by residents who meet the definition of unbanked or underbanked. The study aimed to build on the findings of the 2017 FDIC Survey of Unbanked and Underbanked

Households (FDIC, 2017), and findings such as those by Sawyer and Temkin (2004) which suggest that factors other than location and convenience contribute to marginalized, often ethnic minority populations being unbanked and underbanked. The findings of this study challenge the normalization of banking statuses that fail to account for differences in treatment experienced when Black Americans engage with banks. The current use of banking statuses also neglects the differences in financial outcomes resulting from various populations' interaction with banking establishments, particularly for low-income Black Americans. Finally, this study critically considers the impact of modern practices by banks and financial institutions, *de jure* and *de facto*, on wealth and health outcomes through a public health lens. Such consideration illuminates a substantial area of inequity that is inadequately captured in present public health literature.

As public health continues to evolve, it must continue to expound upon research that illustrates the significance of the relationship between wealth and wellbeing (Iton, 2010). Moreover, in the United States (U.S.) context, the history of wealth and its distribution within society is influenced dramatically by structural racism and manifests as racial wealth disparities (U.S. Census Bureau, 2018). Subsequently, wealth as a social determinant of health must not be divorced from systemic racism as a structural determinant, and both their effects on health outcomes. Therefore, it is critical to consider the role of the impact of racist policies and practices where it relates to all health outcomes, but it is also important to consider the impact of such discrimination on wealth building, and on the practices of financial institutions and consumers specifically.

While the results of this study do not suggest that racism is the only factor motivating financial practices by institutions and consumers, it does suggest that racial discrimination contributes substantially to trends in the practices of institutions and to financial behavior by consumers. What is more, the findings indicate that segregation and racial discrimination influence the predatory nature of the environments in which many low-income Black Americans live on a holistic level. Study participants experienced social and financial inequity in employment, banking, shopping, income, and many other ways. This study's findings align with Critical Race Theory (CRT) which holds that racism is enduring and tightly woven into the fabric of U.S. society (Constance-Huggins, 2012). As such, the findings of this study work towards meeting one call of CRT to reflect the voices of marginalized populations in recounts of history, maintaining that ethnic minorities are best able to articulate the meaning and impact of race and racism due to their lived experience, and that these insights are legitimate (Constance-Huggins, 2012). The study aimed to address three distinct but related research questions. The following section will discuss the findings in relation to each question and the overarching implications.

Bank location and health outcomes. Chapter 4 evaluated the association between banks in a census tract and health outcomes and found no significant relationship between bank density and homicide, heart disease, and cancer rates in WL. These findings suggest the location of banking institutions is not necessarily related to the health outcomes of the residents of the surrounding area. However, there is a need for additional assessment of a potential correlative relationship which utilizes more sophisticated spatial analyses which were beyond the scope of the exploratory nature of the present study. Yet, the findings obtained within this component of this study are consistent with the results of the qualitative findings of this study; those findings suggest that banking status and banking relationships are not significantly influenced by the location of banking institutions.

Banking alternatives. Chapter 5 explored what alternatives to traditional banking are utilized, and for what purposes. Participants noted that they trusted many of the Alternative Financial Service providers in their communities more than traditional banks due to differences in the treatment they received, and subsequently, their relationships with those businesses. Where it relates to banks' treatment of participants in this study, the impact of racial discrimination was undeniable. Participants' experiences of racial discrimination occurred at the outset of engagement with traditional banks and at seemingly every step thereafter.

Why are marginalized communities unbanked? Finally, chapter 6 explored the factors that led to unbanked and underbanked status. For the study participants, racial discrimination was an inevitable component of multiple facets of their lived experience; banking and engagement with financial institutions was yet another instance in which racial discrimination presented a challenge to be negotiated. Banking institutions had proven to study participants that they were not allies which contributed to financial stability by way of poor treatment, poorly explained products, hidden fees, overdraft fees, and general financial harm. The use of AFS were merely adaptations to navigating financial strain, and to conducting financial transactions without traditional banking institutions. This critical finding indicates the inaccuracy of the current language and focus of our discussions of financial behaviors; banking status for example, and the need to modify language such that we consider the implications of banking and being "banked" for various populations.

The findings of the current study hold three overarching implications for public health and its effort to advance social and health equity. First, the labels of unbanked, underbanked, and fully banked normalizes full engagement with banking institutions. Second, traditional banks are harmful to many marginalized communities; and third, marginalized populations are forced into the banking system by external societal pressures. Each of these implications is discussed in detail below.

Unbanked, underbanked, and fully banked as labels. At the time of this study, an abundance of literature characterizes unbanked and underbanked status as a problem that must be resolved by "fully banking" individuals. The current findings challenge such perspectives in multiple ways. First, the language unbanked and underbanked centers "banked" or "fully banked" as a status which one must obtain to reach and maintain financial stability. This notion is harmful as it places the challenge of becoming "banked" on consumers as opposed to focusing efforts on eradicating the inequitable practices of banks where it relates to their interactions with marginalized populations.

Traditional banks cause social and financial harm. Additionally, the findings of this study reveal that for many populations, to engage with traditional banks is to expose oneself to potential harm. With this consideration, it is exceedingly detrimental to present full bank engagement, "fully banked," as normal, prudent, or even appropriate for consumers whose experience disprove such a notion. By continuing to normalize fully banked banking status, banking institutions are placed in situations where they have no incentive to make policies and practices more equitable. That is, if "fully banked" status is normal and necessary for financial health, everyone should pursue being "fully banked" regardless of how banks treat them. The results of this study support this notion as study participants often found themselves in the unenviable position of choosing with which financially predatory institution they would engage.

Participants forced into the banking system. Participants' financial decisions were made more complicated by numerous external factors which forced them to engage with banking institutions; factors such as direct deposit from employers, online bill pay, internet commerce, and interaction with businesses such as car rental. As a result, many participants utilized prepaid debit cards to gain entre' to these practices without relying on a bank account. However, this process further illuminated that the decision-making paradigm was not predicated on who charges a fee and who does not; instead, participants opted for establishments who they felt were more transparent, businesses where racial discrimination was less apparent, and for the products that were explained to them, even if the products were still harmful to them in the long term. This was evident in the participants' knowledge of the long-term detriment to their finances of AFS use before, during, and after using those services. However, banking institutions were equally harmful and perceived as less honest. In addition to presenting a need for an evaluation of the impact of banks and banking on the WL community, these findings also present a need for further research on the effects of prepaid debit card use.

The implications of this study prompt consideration of a number of factors. First, what are the implications of the normalization of interaction with for-profit institutions where it relates to wealth and health for U.S. populations? In public health, this subject is often broached with regard to health care, particularly with health insurance and prescription drugs; however, this subject is less explored with traditional banking institutions. For U. S. citizens, interaction with for-profit institutions for inelastic goods such as prescription drugs or health insurance may expose them to financial harm from those institutions. Yet, as the U.S. economy becomes increasingly reliant on cashless transactions, bank interaction is becoming more inelastic. That is, as cash transactions diminish, it becomes more difficult for populations to conduct financial dealings without a bank account. As a result, many people may engage with traditional banks and expose themselves to potential financial ruin simply because the lack of access to digital currency also comes with negative consequences.

How does one untangle the relationship between unbanked and underbanked status with poorer self-rated health relative to those who are fully banked? How do we address the drastic disparities in emergency savings by those who are classified as unbanked or underbanked? Attached to each of these realities is a history of government sanctioned discrimination which supported and incentivized banking institutions in systematically destroying the wealth of specific populations, often ethnic minorities. Today, those same banking institutions are entrenched in the U.S. economic system. Deposits with these institutions are guaranteed by the U.S. government. More alarming still, these institutions which are embedded in the fabric of our social and economic system currently benefit from continuing to exploit populations from which they have already taken so much.

How does one reconcile such truths with the reality that banking institutions exist to make a profit, not to help marginalized populations? Discussions of fundamental challenges as these often incorporate the concept of free market capitalism. That is, people and businesses have the freedom to decide. In these instances, policies which restrict or inhibit aspects of capitalism are viewed as restrictions of freedom. Yet, the policies which allowed banking institutions to recover from the great depression were not widely viewed as interruptions of these freedoms. More to the point, the policies with which the U.S. government guaranteed loans offered by banks to specific, often white families were not considered violations of free market capitalism. Among the things we must do is acknowledge that free market capitalism does not exist. Instead, we must ask who will benefit from the policies that are implemented. As such, equitable policies must be incorporated to alleviate the impact of centuries of inequitable policies.

The findings of the studies conducted in this project also present an opportunity to further investigate how interaction, relationships, and financial outcomes may differ, if at all, when marginalized communities interact with community banking institutions. The smaller size and typical business practices of community banks suggests that there may be different outcomes, but additional research must be done to assess this relationship. The results of this study clearly outline how banks profit from low-income Black Americans in ways that destabilize the financial situations of those communities. Without modifying that structure, it is negligent to direct those communities to engage with banks exclusively or at all. As such, three primary considerations emerge from this study:

1. How might critical assessment of the benefit and harm of banking interaction for various populations influence bank interaction recommendations?
2. How can we modify language discussing banking behavior such that full engagement with banks is not presented normatively?

3. How can we incorporate programming and interventions aimed at improving banking institutions' policies and practices with low-income minority communities?

Consideration of these key questions will provide direction for more equitable policies and programming for marginalized communities as they interact with financial institutions.

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CURRICULUM
VITAE

Gaberiel Jones, Jr.

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EDUCATION:

University of Kentucky
B.S. Human Nutrition Completion 2012

University of Louisville
Master of Public Health Completion 2015

University of Louisville
Doctor of Philosophy Public Health Completion 2019
Health Promotion and Behavioral Sciences

WORK & RESEARCH EXPERIENCE:

- **Co-Investigator, Digital Inclusion and Economic Resilience Project, Commonwealth Institute of Kentucky-** As the local evaluation partner for a $3 million grant, my responsibility included designing and implementing an evaluative research plan to report the outcomes and impact of the Digital Inclusion and Economic Resilience Project.

- **Senior Program Coordinator, Youth Violence Prevention Research Center-** Responsible for supporting local youth in becoming social agents of change to end systemic social inequity in their community. The program provides an environment that is conducive to leadership, cultural identity, professional, and critical consciousness development.

- **Graduate Research Assistant, Youth Violence Prevention Research Center-** Tasks included writing about, conducting and analyzing research related to the Youth Violence Prevention Research Center grant, a $5.7 million CDC grant for structural violence prevention.

- **Healthy Hoops Home Visits-** Pilot program during which home visits were conducted on the homes of families of children from the Healthy Hoops asthma program. The objective of the project was to determine what asthma irritants may exist in the home living environment and provide remediation products to improve health outcomes.

• **Research: Dr. Andrew Deane PhD Anatomy & Neurobiology: Comparative Dental Anatomy-** Integrating measurement protocols for incisor breadth and orientation in extinct and extant primates to determine primate ecology i.e frugivore or folivore.

• **Research: Dr. Jessica Phillips DMD Pediatric Dentistry Resident: Nutritional Consultation Research-** My role was to provide nutrition advice to parents and children (the test group) such that their dietary and subsequent dental health could be assessed for changes compared to patients who received no nutritional consultation (the control group).

TEACHING:

• **Graduate Courses**
• Teaching Assistant: Health Communication Campaigns (PHPB 612), Fall 2016
• **Undergraduate Courses**
• Co-instructor: Health Equity (PHPB 301), Fall 2018

PROFESSIONAL ASSOCIATIONS:

• American Public Health Association, Member

ACHIEVEMENTS & ACTIVITIES:

• Gold Award American Advertising Federation Local Television Commercial Campaign (Public Health Campaign)
• Judge's Choice Award American Advertising Federation Local Television Commercial Campaign (Public Health Campaign)
• Culturally Legit Award American Advertising Federation Local Television Commercial Campaign (Public Health Campaign)
• Multicultural Association of Graduate Students Research Award Funding
• Awarded Best Public Speaker of 2015 Master of Public Health Graduating Class
• Dale Carnegie Sales Advantage Sales Talk Champion
•Bucks for Brains research stipend (Undergraduate)

ABSTRACTS & PRESENTATIONS:

• All we want is peace: Using the expertise of young people's lived experience to run an organizational social media account for structural violence prevention. Jones, G., Wendel, M.L., Williams, M., Brown, Q., Ahmed, H. Poster presented at the

American Public Health Association Conference, Philadelphia, Pennsylvania.

• West Louisville Photovoice Project: Local perspectives on justice, safety, hope, and racial equity. Wendel, M.L., Jackson, T.J., Ingram, M., Ali, N.,* Castle, B.,* Combs, R.M., Jones, G.,* Rogers, W.,* Carthan, Q. & Smith, A.D. Creative story-telling session at the Community-Campus Partnerships for Health 14th International Conference, New Orleans, Louisiana.

• Louisville listens to Ferguson in order to sow justice, safety, hope, and racial equity. Jackson, T.J., Wendel, M.L., Ingram, M., Carthan, Q., Castle, B.,* Jones, G.,* Ali, N.* & Combs, R.M. Poster presented at the Community-Campus Partnerships for Health 14th International Conference, New Orleans, Louisiana.